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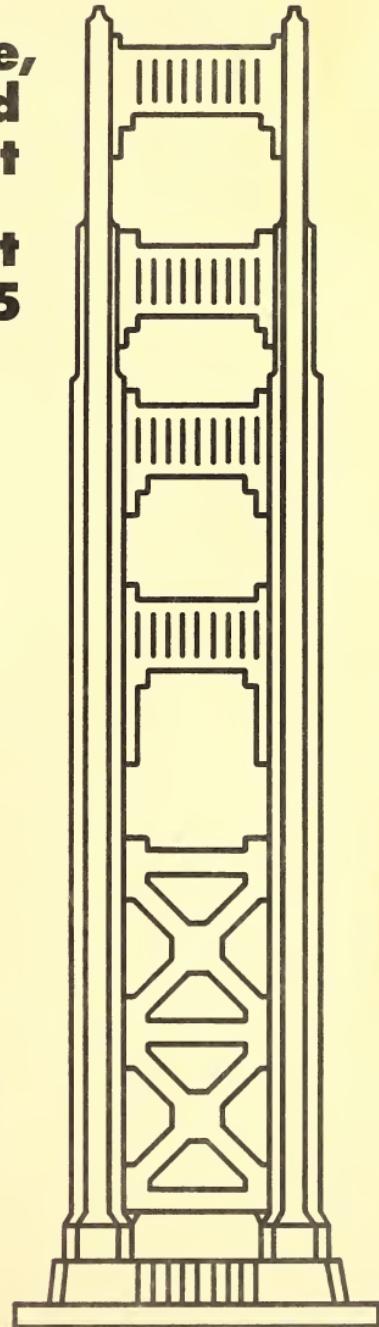
1974-75

# Golden Gate Bridge, Highway and Transportation District

## Annual Report 1974-1975

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## GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

September 30, 1975

## President's Message:

On September 1, 1975, the Golden Gate Bridge, Highway and Transportation District submitted to the State Legislature, as requested, a report on its long-range transportation planning. Titled "Golden Gate Corridor Transportation Facilities Plan, Phase II," the report detailed the District's activities in all phases of its operations from the time it made its last report to the Legislature on April 1, 1971, through the fiscal year ended June 30, 1975.

For this reason, the District's Annual Report for the year just past is taking this reduced form. Those desiring a copy of the District's Report to the Legislature may obtain one by writing the Secretary of the District at Post Office Box 9000, Presidio Station, San Francisco, CA 94129.

For the Board of Directors

  
Edwin M. Fraser, President

## THE YEAR IN BRIEF

	1974-75	1973-74
<b>GOLDEN GATE BRIDGE</b>		
Total Vehicles	33,238,810	32,824,780
<b>GOLDEN GATE TRANSIT</b>		
Bus Passengers	7,885,470	7,414,250
Ferry Passengers	1,087,804	1,061,494

## FINANCIAL SUMMARY

Operating Revenues	\$19,608,744	\$15,155,433
Expenses:		
Operating	\$15,787,154	\$12,683,796
Current repairs & maintenance	3,860,100	2,984,664
Major repairs & replacements (Bridge)	2,924,871	2,339,150
	\$22,572,125	\$18,007,610
Operating Revenues less Expenses	(\$ 2,963,381)	(\$ 2,852,177)
Other Income	\$ 2,518,760	\$ 2,220,556
Amortization of Capital Grants	832,569	585,744
	\$ 3,351,329	\$ 2,806,300
Total Revenues less Expenses	\$ 387,948	(\$ 45,877)

ONE MARITIME PLAZA  
SAN FRANCISCO, CALIFORNIA 94111

August 22, 1975

The Board of Directors  
Golden Gate Bridge, Highway  
and Transportation District

We have examined the statement of financial position of Golden Gate Bridge, Highway and Transportation District as of June 30, 1975 and 1974, and the related statements of revenues and expenses and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records, including those we deemed necessary to satisfy ourselves that expenditures were supported by proper documentation and were properly recorded, and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1975 and 1974, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis, after restatement for the change, with which we concur, described in Note B.

*Touche Ross & Co*  
Certified Public Accountants

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1974-1981

## GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENT OF FINANCIAL POSITION

	June 30	
	<u>1975</u>	<u>1974</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 405,832	\$ 1,007,870
Short-term interest-bearing investments	13,408,233	17,694,000
Accrued interest receivable	40,720	316,094
Federal grants receivable (Note C)	4,522,718	2,248,149
Accounts receivable	669,761	176,079
Prepaid expenses	<u>254,196</u>	<u>277,189</u>
TOTAL CURRENT ASSETS	19,301,460	21,719,381
<b>LESS CURRENT LIABILITIES:</b>		
Trade accounts payable and other accrued expenses	<u>4,134,590</u>	<u>3,884,769</u>
NET CURRENT ASSETS	<u>15,166,870</u>	<u>17,834,612</u>
<b>PROPERTY AND EQUIPMENT (Note A):</b>		
Land	3,885,269	2,371,210
Transit property and equipment:		
Bus transit	17,837,440	8,933,220
Ferry transit	943,141	901,923
Less accumulated depreciation	<u>(3,416,884)</u>	<u>(2,167,689)</u>
	15,363,697	7,667,454
Bridge and related buildings and equipment	43,436,717	43,380,252
Construction in progress:		
Bus transit	281,308	3,319,010
Ferry transit	<u>21,232,871</u>	<u>9,832,460</u>
	<u>84,199,862</u>	<u>66,570,386</u>
NET ASSETS	<u>\$99,366,732</u>	<u>\$84,404,998</u>
<b>COMMITMENTS AND CONTINGENCIES (Note D)</b>		
<b>FUND EQUITY:</b>		
Fund balance at beginning of year	\$84,404,998	\$79,057,608
Capital grants:		
Bus transit	4,914,984	1,448,434
Ferry transit	8,920,044	3,150,384
Less amortization of capital grants	<u>(832,569)</u>	<u>(585,744)</u>
State transportation development funds	1,571,327	1,380,193
Excess of revenues over expenses (expenses over revenues)	<u>387,948</u>	<u>(45,877)</u>
Fund balance at end of year	<u>\$99,366,732</u>	<u>\$84,404,998</u>

See notes to financial statements.

STATEMENT OF REVENUES AND EXPENSES

	June 30	
	<u>1975</u>	<u>1974</u>
<b>Operating revenues:</b>		
Bridge	\$12,455,459	\$ 9,491,837
Bus transit (including \$397,825 in 1975 and \$385,900 in 1974 of Marin County transit subsidy)	6,402,550	4,971,619
Ferry transit	<u>750,735</u>	<u>691,977</u>
	19,608,744	15,155,433
<b>Expenses:</b>		
<b>Operating:</b>		
Bridge	3,775,078	3,298,966
Bus transit	10,653,535	8,227,487
Ferry transit	<u>1,358,541</u>	<u>1,157,343</u>
	15,787,154	12,683,796
<b>Current repairs and maintenance:</b>		
Bridge	2,142,511	1,762,867
Bus transit	1,672,092	1,166,163
Ferry transit	<u>45,497</u>	<u>55,634</u>
	3,860,100	2,984,664
<b>Major repairs and replacements</b> (Bridge)	<u>2,924,871</u>	<u>2,339,150</u>
	<u>22,572,125</u>	<u>18,007,610</u>
<b>OPERATING REVENUES</b>		
<b>LESS EXPENSES</b>		
	(2,963,381)	(2,852,177)
<b>Other income:</b>		
Investment income	1,545,630	1,760,492
Revenue from State Transportation Development Act	523,592	460,064
Federal Operating Assistance Grant	<u>449,538</u>	<u>-0-</u>
	EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) BEFORE AMORTIZATION OF CAPITAL GRANTS	(444,621)
	(444,621)	(631,621)
<b>Amortization of capital grants</b>	<u>832,569</u>	<u>585,744</u>
	EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	\$ 387,948
	<u>\$ 387,948</u>	<u>\$ (45,877)</u>

See notes to financial statements.

## GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

SUPPLEMENTAL STATEMENT OF REVENUES AND EXPENSES

	Bridge Division	
	<u>1975</u>	<u>1974</u>
Operating revenues	\$12,455,459	\$9,491,837
Expenses:		
Operating	3,775,078	3,298,966
Current repairs and maintenance	2,142,511	1,762,867
Major repairs and replacements	2,924,871	2,339,150
	<u>8,842,460</u>	<u>7,400,983</u>
OPERATING REVENUES LESS EXPENSES	3,612,999	2,090,854
Other income:		
Investment income	1,545,630	1,760,492
Revenue from State Transportation		
Development Act	-o-	-o-
Federal Operating Assistance Grant	-o-	-o-
	<u>5,158,629</u>	<u>3,851,346</u>
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) BEFORE AMORTIZATION OR CAPITAL GRANTS		
Amortization of capital grants	-o-	-o-
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	<u>\$ 5,158,629</u>	<u>\$3,851,346</u>

See notes to financial statements.

<u>Bus Transportation Division</u>		<u>Ferry Transportation Division</u>	
<u>1975</u>	<u>1974</u>	<u>1975</u>	<u>1974</u>
\$ 6,402,550	\$ 4,971,619	\$ 750,735	\$ 691,977
10,653,535	8,227,487	1,358,541	1,157,343
1,672,092	1,166,163	45,497	55,634
<u>-o-</u>	<u>-o-</u>	<u>-o-</u>	<u>-o-</u>
<u>12,325,627</u>	<u>9,393,650</u>	<u>1,404,038</u>	<u>1,212,977</u>
(5,923,077)	(4,422,031)	(653,303)	(521,000)
<u>-o-</u>	<u>-o-</u>	<u>-o-</u>	<u>-o-</u>
448,167	393,815	75,425	66,249
358,743	<u>-o-</u>	90,795	<u>-o-</u>
<u>(5,116,167)</u>	<u>(4,028,216)</u>	<u>(487,083)</u>	<u>(454,751)</u>
<u>823,989</u>	<u>585,744</u>	<u>8,580</u>	<u>-o-</u>
<u><u>\$ (4,292,178)</u></u>	<u><u>\$ (3,442,472)</u></u>	<u><u>\$ (478,503)</u></u>	<u><u>\$ (454,751)</u></u>

## GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended June 30	
	1975	1974

## SOURCE OF FUNDS:

## Operations:

Excess of revenues over expenses (expenses over revenues)	\$ 387,948	\$ (45,877)
Nonfund charges (credits):		
Depreciation and amortization	1,256,177	926,669
Amortization of capital grants	(832,569)	(585,744)
FUNDS PROVIDED BY OPERATIONS	811,556	295,048

## State transportation development funds:

Bus transit	1,345,056	1,181,445
Ferry transit	226,271	198,748
Capital grants:		
Bus transit	4,914,984	1,448,434
Ferry transit	8,920,044	3,150,384
	16,217,911	6,274,059

## APPLICATION OF FUNDS:

## Acquisition of property and equipment - net:

Bridge	56,465	75,032
Bus transit	6,510,684	2,223,704
Ferry transit	12,318,504	6,066,940
	18,885,653	8,365,676

DECREASE IN NET CURRENT ASSETS \$ (2,667,742) \$ (2,091,617)

## INCREASE (DECREASE) IN NET CURRENT ASSET COMPONENTS:

Cash	\$ (602,038)	\$ 818,781
Short-term interest-bearing investments	(4,285,767)	(2,373,966)
Accrued interest receivable	(275,374)	73,939
Federal grants receivable	2,274,569	25,666
Accounts receivable	493,682	(129,812)
Prepaid expense	(22,993)	112,074
Trade accounts payable and other accrued expenses	(249,821)	(618,299)

DECREASE IN NET CURRENT ASSETS \$ (2,667,742) \$ (2,091,617)

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Years ended June 30, 1975 and 1974

## NOTE A - Summary of Accounting Policies

General

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District does not have stockholders or equity holders and is not subject to income tax. The disbursement of funds received by the District is controlled by statutes and by provisions of various grant contracts entered into with the State of California and the United States Government.

Property and Equipment

The bridge and related buildings and equipment are carried at cost. Maintenance, repairs and additions are expensed as incurred. Additions of new equipment are capitalized. No depreciation is provided on these assets.

Transit property and equipment are carried at cost and depreciated by the straight line method over their estimated useful lives. Depreciation on equipment acquired by capital grants (Note C) is included in the statement of revenues and expenses and the capital grant is amortized to revenue in an amount equal to approximately two-thirds of such depreciation. Maintenance, repairs and additions of a minor nature are expensed as incurred. Additions of a major nature are capitalized.

State Transportation Development Funds

The State of California, through the Transportation Development Act of 1971, has made available funds to be used for subsidizing mass transit operations. The Act requires a minimum of 75% of such funds to be used for capital expenditures. The District has included this 75% portion of such funds as an addition to fund equity in the bus and ferry transportation funds. The remaining 25% represents an operating subsidy, and accordingly is included in the bus and ferry transportation operations as nonoperating income.

NOTES TO FINANCIAL STATEMENTS (Continued)

Years ended June 30, 1975 and 1974

## NOTE B - Consolidation of Funds

Prior to June 30, 1975, the District recorded transactions in a series of separate funds. These included the bridge fund, the bus transportation fund, the ferry fund, and within the bridge fund, the current operating fund, the repairs and depreciation fund and the insurance reserve fund. Effective June 30, 1975, these funds were consolidated into a single fund with operations being recorded in three divisions: bridge, bus and ferry. The accompanying financial statements have been restated to reflect this change.

## NOTE C - Capital Grants

	Bus Transportation Division	Ferry Transportation Division
Total approved project cost	<u>\$20,029,547</u>	<u>\$34,994,497</u>
Federal grants	\$14,429,044	\$24,678,330
Amount received through June 30, 1975	12,424,210	12,065,725
Amount receivable as of June 30, 1975:		
Billed	157,377	1,691,834
Unbilled	<u>746,301</u>	<u>1,927,197</u>
Remaining amount available under contract	<u>\$ 1,101,156</u>	<u>\$ 8,993,574</u>
Total federal grants credited to fund equity through June 30, 1975	\$13,327,888	\$15,684,756
Less amounts amortized through June 30, 1975	<u>(2,165,258)</u>	<u>(8,584)</u>
Net federal grants in fund equity at June 30, 1975	<u>\$11,162,630</u>	<u>\$15,676,172</u>

Grants are subject to review by the Granting Agency. The Granting Agency has identified a total of \$1,005,596 of items which may be disallowed in connection with the above grants. The District has supplied the Granting Agency with additional information supporting payment and expects no disallowances.

\$449,536 has been accrued as an operating assistance grant from the federal government. Final approval of this grant has not been made. The District expects that the grant will be approved in full.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS (Continued)

Years ended June 30, 1975 and 1974

NOTE D - Commitments

The District had commitments at June 30, 1975, as follows:

Bridge fund	\$ 2,800,000
Bus transportation fund	650,000
Ferry transportation fund	<u>9,880,000</u>
	<u>\$13,330,000</u>

The bridge fund commitments are for contracts relating to repairs of the bridge structure and suspension cables.

The bus transportation fund commitments are for contracts related to the acquisition of new facilities. The ferry transportation fund commitments are for contracts relating to the construction of three ferry boats now being built and preparation of new landing facilities. The capital grants (Note C) are to finance approximately eighty per cent of the cost of these acquisitions.

---

Officers of the District:

Edwin M. Fraser, president; Peter Tamaras, 1st vice president; C. Paul Bettini, 2nd vice president; Dale W. Luehring, general manager; Peter D. Clainos, secretary; Robert Tough, auditor-controller; Thomas M. Jenkins, attorney; Harry Reilich, engineer.

District Board of Directors:

Daniel F. Del Carlo, Robert E. Gonzales, Stephan C. Leonoudakis, Ben K. Lerer, Lawrence Mazzola, John L. Molinari, William Moskovitz, Ronald Pelosi, Peter Tamaras-City and County of San Francisco; Peter Arrigoni, C. Paul Bettini, Gary T. Giacomini-Marin County; L. E. "Bud" Castner, Charles E. Hinkle, W. R. "Bill" Lucius-Sonoma County; Lowell Edington-Napa County; Carl Daubeneck-Mendocino County; Edwin M. Fraser-Del Norte County.

Operating Managers:

Bus Transit, H. Donald White; Ferry Transit, Stanley M. Kowleski; Golden Gate Bridge, Robert Warren.



**GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT**

P.O. Box 9000, Presidio Station, San Francisco 94129 (415) 346-5858

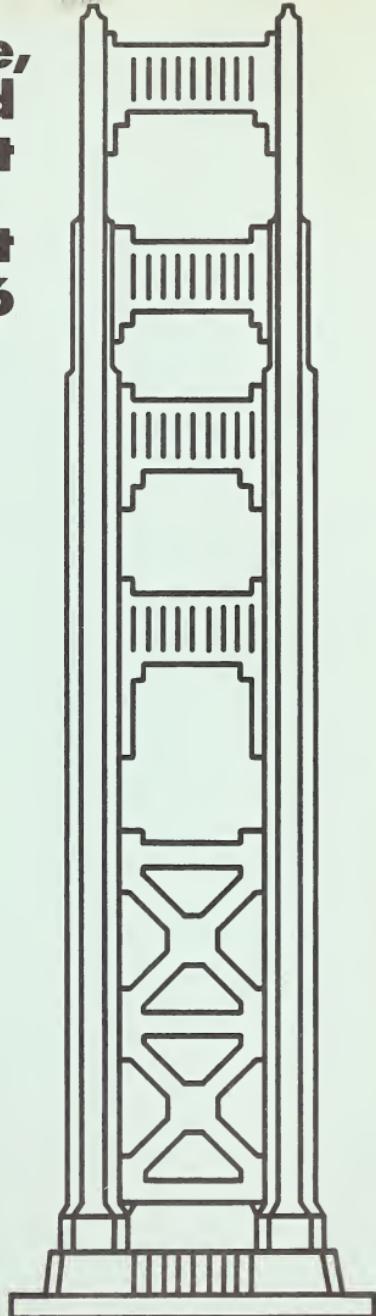
1975-76

# Golden Gate Bridge, Highway and Transportation District

## Annual Report 1975-1976

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To the People of the District:

This is a brief report to you on the major activities of the District during the last fiscal year.

On September 1, 1975, we submitted to the State Legislature a report on the second phase of long-range planning efforts to provide transportation improvements in the Golden Gate Corridor. The studies were primarily related to the movement of people from the south end of the Bridge into downtown San Francisco. The studies indicated that through 1985 improvements made to accommodate Golden Gate Transit buses should be on surface streets with preferential treatment using contra-flow and reverse lanes. After 1985, it was indicated some exclusive rights-of-way may be necessary. The report noted that additional commuter capacity might be obtained after that date through expansion of ferry service.

Start-up of the District's expanded ferry transit service from Larkspur was again delayed. The new terminal was ready for service at the end of the fiscal year but additional work was required on the three new vessels to correct deficiencies in their propulsion systems. The District will not accept the vessels until they meet all specifications.

Golden Gate Transit bus service was interrupted for 64 days in a labor dispute with drivers beginning on April 12. Expected massive traffic jams did not occur, however, since commuters moved into car pools and adjusted their travel times. During this period, the District eliminated bridge tolls for car pools of three or more as an emergency measure, and this policy has been continued. Car pools now average more than 1600 daily, about twice the pre-strike number.

The four-year job of replacing all of the suspender ropes on the Golden Gate Bridge has been completed at a cost of more than \$8 million. Eventually the concrete roadway on the Bridge will require replacement, but the present surface will remain serviceable for another decade, consultants report.

As you will note, the District ended the fiscal year with total revenues exceeding expenses. However, as costs continue to increase, it becomes obvious that an adjustment in transit fares and the bridge toll will soon be necessary. The Board of Directors is continuing to monitor the situation closely.

In closing, I would like to express appreciation for the public's support for our efforts to reduce auto congestion by providing effective transportation systems at reasonable costs to the rider. With the public's help we have been very successful to date, and we hope to continue this record.

For the Board of Directors

  
Peter Tamaras, President



## THE YEAR IN BRIEF

	1975-76	1974-75
<b>GOLDEN GATE BRIDGE</b>		
Total Vehicles	34,871,856	33,333,798
<b>GOLDEN GATE TRANSIT</b>		
Bus Passengers	7,046,797	7,885,470
Ferry Passengers	1,103,810	1,087,804

## FINANCIAL SUMMARY

Operating Revenues	\$20,476,119	\$19,608,744
Expenses:		
Operating	15,282,792	14,954,585
Current repairs & maintenance	4,062,521	3,860,100
Major repairs & replacements (Bridge)	<u>2,912,012</u>	<u>2,924,871</u>
	<u>22,257,325</u>	<u>21,739,556</u>
Operating Revenues less Expenses	(1,781,206)	(2,130,812)
Other Income	<u>2,589,589</u>	<u>2,518,760</u>
Total Revenues over Expenses	<u><u>\$ 808,383</u></u>	<u><u>\$ 387,948</u></u>

## HASKINS &amp; SELLS

CERTIFIED PUBLIC ACCOUNTANTS

44 MONTGOMERY STREET  
SAN FRANCISCO, CALIFORNIA 94104

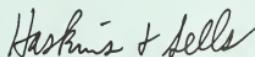
August 20, 1976

The Board of Directors,  
Golden Gate Bridge, Highway  
and Transportation District:

We have examined the statement of financial position of Golden Gate Bridge, Highway and Transportation District as of June 30, 1976, and the related statements of revenues and expenses, changes in fund equity, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records, including those we deemed necessary to satisfy ourselves that expenditures were supported by proper documentation and were properly recorded, and such other auditing procedures as we considered necessary in the circumstances. The financial statements for the year ended June 30, 1975 were examined by other auditors whose report dated August 22, 1975 expressed an unqualified opinion on those statements.

In our opinion, the financial statements referred to above that were examined by us present fairly the financial position of Golden Gate Bridge, Highway and Transportation District at June 30, 1976, and its revenues and expenses, changes in its fund equity, and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination also comprehended the supplemental schedule of revenues and expenses of the Bridge, Bus Transit, and Ferry Transit Divisions for the year ended June 30, 1976. In our opinion, such supplemental schedule, when considered in relation to the basic financial statements, presents fairly in all material respects the information shown therein.



GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENT OF FINANCIAL POSITION  
JUNE 30, 1976 AND 1975

	1976	1975*
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 576,494	\$ 405,832
Short-term investments.....	13,263,000	13,408,233
Federal grants receivable.....	3,279,499	4,972,256
Accounts and other receivables.....	191,500	260,943
Maintenance inventories and supplies.....	358,875	187,976
Prepaid insurance and other.....	102,063	66,220
Total current assets.....	<u>17,771,431</u>	<u>19,301,460</u>
<b>LESS CURRENT LIABILITIES:</b>		
Trade accounts.....	530,185	783,819
Accruals.....	1,176,159	1,040,805
Contract retentions.....	1,621,966	2,309,966
Current assets - net.....	<u>14,443,121</u>	<u>15,166,870</u>
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land.....	4,207,210	3,885,269
Transit property and equipment:		
Bus Transit.....	18,675,609	17,837,440
Ferry Transit.....	980,661	943,141
Less accumulated depreciation.....	(4,859,165)	(3,416,884)
Net.....	<u>14,797,105</u>	<u>15,363,697</u>
Bridge and related buildings and equipment.....	43,483,775	43,436,717
Construction in progress:		
Bus Transit.....	130,391	281,308
Ferry Transit.....	28,412,982	21,232,871
Property, plant, and equipment - net.....	<u>91,031,463</u>	<u>84,199,862</u>
<b>NET ASSETS AND FUND EQUITY.....</b>	<u><u>\$105,474,584</u></u>	<u><u>\$99,366,732</u></u>

\*Certain amounts reclassified to conform to 1976 presentation.

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1976 AND 1975

	1976	1975*
<b>OPERATING REVENUES:</b>		
Bridge.....	\$12,988,278	\$12,455,459
Bus Transit (including \$1,426,949 in 1976 and \$397,825 in 1975 of Marin and Sonoma County transit subsidies).....	6,688,947 798,894	6,402,550 750,735
Ferry Transit.....		
	Total operating revenues.....	20,476,119
		19,608,744
<b>EXPENSES:</b>		
Operating:		
Bridge.....	4,140,333	3,775,078
Bus Transit.....	9,501,460	9,829,546
Ferry Transit.....	1,640,999	1,349,961
	Total operating expenses.....	15,282,792
Current repairs and maintenance:		
Bridge.....	2,235,097	2,142,511
Bus Transit.....	1,759,594	1,672,092
Ferry Transit.....	67,830	45,497
	Total repairs and maintenance.....	4,062,521
Major repairs and replacements - Bridge....		
	2,912,012	2,924,871
	Total expenses.....	22,257,325
EXCESS OF EXPENSES OVER OPERATING REVENUES..		
	(1,781,206)	(2,130,812)
<b>OTHER INCOME:</b>		
Investment income.....	815,845	1,545,630
Revenue from State Transportation Development Act.....		
	1,124,333	523,592
Federal Operating Assistance Grant.....	649,411	449,538
EXCESS OF REVENUES OVER EXPENSES.....		
	<u>\$ 808,383</u>	<u>\$ 387,948</u>

\*Certain amounts reclassified to  
conform to 1976 presentation.

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES BY DIVISION  
 FOR THE YEARS ENDED JUNE 30, 1976 AND 1975

	1976	TOTAL	1975*
OPERATING REVENUES.....	<u>\$20,476,119</u>	<u>\$19,608,744</u>	
EXPENSES:			
Operating.....	15,282,792	14,954,585	
Current repairs and maintenance.....	4,062,521	3,860,100	
Major repairs and replacements.....	2,912,012	2,924,871	
Total expenses.....	<u>22,257,325</u>	<u>21,739,556</u>	
OPERATING REVENUES LESS EXPENSES.....	<u>(1,781,206)</u>	<u>(2,130,812)</u>	
OTHER INCOME:			
Investment income.....	815,845	1,545,630	
Revenue from State Transportation Development Act.....	1,124,333	523,592	
Federal Operating Assistance Grant.....	649,411	449,538	
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES).....	<u>\$ 808,383</u>	<u>\$ 387,948</u>	

\*Certain amounts reclassified to  
 conform to 1976 presentation.

See notes to financial statements.

BRIDGE DIVISION.....		BUS TRANSIT		FERRY TRANSIT	
1976	1975*	1976	1975*	1976	1975*
\$12,988,278	\$12,455,459	\$ 6,688,947	\$ 6,402,550	\$ 798,894	\$ 750,735
4,140,333	3,775,078	9,501,460	9,829,546	1,640,999	1,349,961
2,235,097	2,142,511	1,759,594	1,672,092	67,830	45,497
2,912,012	2,924,871				
9,287,442	8,842,460	11,261,054	11,501,638	1,708,829	1,395,458
3,700,836	3,612,999	(4,572,107)	(5,099,088)	(909,935)	(644,723)
815,845	1,545,630				
		902,441	448,167	221,892	75,425
		515,911	358,743	133,500	90,795
\$ 4,516,681 \$ 5,158,629 \$(3,153,755) \$(4,292,178) \$ (554,543) \$ (478,503)					

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED JUNE 30, 1976 AND 1975

	1976	1975*
<b>SOURCE OF FUNDS:</b>		
Operations:		
Excess of revenues over expenses.....	\$ 808,383	\$ 387,948
Nonfund charges (credits):		
Depreciation and amortization.....	1,531,956	1,256,177
Amortization of capital grants.....	<u>(1,044,465)</u>	<u>(832,569)</u>
Funds provided by operations.....	<u>1,295,874</u>	<u>811,556</u>
Capital grants:		
Bus Transit.....	525,107	6,260,040
Ferry Transit.....	<u>5,818,827</u>	<u>9,146,315</u>
Total funds provided.....	<u>7,639,808</u>	<u>16,217,911</u>
<b>APPLICATION OF FUNDS:</b>		
Acquisition of property, plant, and equipment - net:		
Bridge.....	47,059	56,465
Bus Transit.....	1,072,414	6,510,684
Ferry Transit.....	<u>7,244,084</u>	<u>12,318,504</u>
Total funds applied.....	<u>8,363,557</u>	<u>18,885,653</u>
DECREASE IN NET CURRENT ASSETS.....	<u>\$ (723,749)</u>	<u>\$ (2,667,742)</u>
<b>INCREASE (DECREASE) IN ELEMENTS OF NET CURRENT ASSETS:</b>		
Cash.....	\$ 170,662	\$ (602,038)
Short-term investments.....	<u>(145,233)</u>	<u>(4,285,767)</u>
Federal grants receivable.....	<u>(1,692,757)</u>	<u>2,723,931</u>
Other current assets.....	137,299	(254,047)
Trade accounts.....	253,634	1,200,672
Accruals.....	<u>(135,354)</u>	<u>(528,803)</u>
Contract retentions.....	<u>688,000</u>	<u>(921,690)</u>
DECREASE IN NET CURRENT ASSETS.....	<u>\$ (723,749)</u>	<u>\$ (2,667,742)</u>

\*Certain amounts reclassified to conform to 1976 presentation.

See notes to financial statements.

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GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENT OF CHANGES IN FUND EQUITY  
FOR THE YEARS ENDED JUNE 30, 1976 AND 1975

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	1976	1975
BALANCE AT BEGINNING OF YEAR.....	\$ 99,366,732	\$84,404,998
EXCESS OF REVENUES OVER EXPENSES.....	808,383	387,948
AMORTIZATION OF CAPITAL GRANTS.....	(1,044,465)	(832,569)
CAPITAL GRANTS:		
Bus Transit.....	525,107	6,260,040
Ferry Transit.....	<u>5,818,827</u>	<u>9,146,315</u>
BALANCE AT END OF YEAR.....	<u>\$105,474,584</u>	<u>\$99,366,732</u>

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See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

## 1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District does not have stockholders or equity holders and is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the State of California and the United States Government.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant, and equipment - The Bridge and related buildings and equipment are carried at cost. Maintenance, repairs, and additions are expensed as incurred. Additions of new equipment are capitalized. No depreciation is provided on these assets.

Transit property and equipment are carried at cost and depreciated by the straight line method over their estimated useful lives (buses, 10 years; ferry, 40 years). Depreciation on equipment acquired by capital grants is included in expense, reduced by the amortization of related capital grants. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Additions of a major nature are capitalized.

The cost of acquisition and construction of mass transit equipment and facilities is recorded in construction in progress until such assets are placed in service. No depreciation (or amortization of capital grants) is recorded on such assets.

Pension plans - The District has several pension plans covering all employees. Certain union members are covered under various union administered plans while other union and nonunion employees are participants in the State of California's Public Employees' Retirement System. The District's policy is to fund pension cost as accrued. Pension expense for the years ended June 30, 1976 and 1975 was \$1,266,000 and \$1,237,000, respectively.

Vacation and sick pay - District employees accrue vacation and sick leave annually based on job classification and years of service. Vacation and sick leave are charged to expense as paid. The District's unrecorded liability for such benefits at June 30, 1976 approximates \$1,400,000.

### 3. FEDERAL CAPITAL GRANTS

The District has received two grants under the Urban Mass Transportation Act which provide Federal financing primarily for the acquisition of buses and the construction of ferry boats and terminals. These grants are summarized at June 30, 1976 as follows:

	Bus Transit Division	Ferry Transit Division
Total approved project cost.....	<u>\$20,370,943</u>	<u>\$34,653,101</u>
Total Federal grants.....	<u>\$14,680,548</u>	<u>\$24,426,827</u>
Amount received.....	<u>13,649,265</u>	<u>19,526,777</u>
Amount receivable.....	<u>203,745</u>	<u>1,976,805</u>
Remaining amount available under grants.....	<u>\$ 827,538</u>	<u>\$ 2,923,245</u>
Total Federal grants credited to fund equity.....	<u>\$13,853,010</u>	<u>\$21,503,582</u>
Less amounts amortized.....	<u>(3,195,177)</u>	<u>(23,138)</u>
Net Federal grants in fund equity at June 30, 1976.....	<u>\$10,657,833</u>	<u>\$21,480,444</u>

Expenditures of Federal grant funds are subject to final review by the Urban Mass Transportation Administration. At June 30, 1976 expenditures of approximately \$17,900,000 have been reviewed. The District anticipates that the unreviewed expenditures will be approved in full.

### 4. FEDERAL OPERATING ASSISTANCE

The District was allocated \$649,411 and \$449,538 of Federal operating assistance for the years ended June 30, 1976 and 1975, respectively. Federal funds are apportioned to the local urban areas and are distributed to individual transit operators by metropolitan planning organizations after approval by the Urban Mass Transportation Administration. The 1976 funds are subject to final review and the District anticipates that they will be approved in full.

### 5. STATE TRANSPORTATION DEVELOPMENT FUNDS

The District has received an apportionment of State Transportation Development Act funds generated within Marin, Sonoma, and San Francisco Counties to meet, in part, its operating and capital requirements. The funds are apportioned based on an annual claim filed by the District and approved by the Metropolitan Transportation Commission.

Before January 1, 1975, the Act required a minimum of 75% of such funds to be used for capital expenditures as defined by the Act. After January 1, 1975, this requirement was reduced to 15%. The District has included these funds in fund equity or other income as appropriate.

#### 6. NET CURRENT ASSET RESTRICTIONS

Pursuant to a Board of Directors' resolution, the District must maintain unrestricted net current assets of at least \$5,000,000 to provide for unanticipated expenses. Net current assets at June 30, 1976 and 1975 were composed of the following:

	<u>1976</u>	<u>1975</u>
Restricted for replacement of buses and ferry boats.....	\$ 1,490,389	\$ 1,098,056
Unrestricted balance.....	<u>12,952,732</u>	<u>14,068,814</u>
Total.....	<u><u>\$14,443,121</u></u>	<u><u>\$15,166,870</u></u>

#### 7. COMMITMENTS

At June 30, 1976 the District had commitments primarily for the construction of three ferry boats and terminals for approximately \$4,500,000. Capital grants will be used to finance a major portion of these commitments.

An engineering study released in July 1976 indicates that the Bridge will require major roadway repairs within the next ten years. The District currently has no estimate of such cost, although it is expected to be substantial.

#### 8. SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENSES BY DIVISION

District overhead costs have been allocated to the Divisions by resolution of the Board of Directors as follows:

	<u>1976</u>	<u>1975</u>
Division:		
Bridge.....	\$1,417,000	\$1,056,000
Bus Transit.....	546,000	494,000
Ferry Transit.....	<u>218,000</u>	<u>153,000</u>
Total.....	<u><u>\$2,181,000</u></u>	<u><u>\$1,703,000</u></u>



#### Officers of the District

Peter Tamaras, President  
C. Paul Bettini, First Vice President  
John L. Molinari, Second Vice President  
Dale W. Luehring, General Manager  
Carney J. Campion, Secretary  
Robert D. Tough, Auditor-Controller  
David J. Miller, Attorney  
Harry D. Heilich, Engineer

#### District Board of Directors

**City and County of San Francisco**  
Daniel F. Del Carlo  
Robert E. Gonzales  
Stephan C. Leonoudakis  
Lawrence Mazzola  
John L. Molinari  
William Moskovitz  
Ronald Pelosi  
Peter Tamaras  
Dorothy von Beroldingen

**Marin County**  
Peter Arrigoni  
C. Paul Bettini  
Gary T. Giacomin

**Sonoma County**  
L.E. Castner  
William K. Johnson  
William R. Lucius

**Napa County**  
Lowell Edington

**Mendocino County**  
Carl Daubenbeck

**Del Norte County**  
Edwin M. Fraser

#### Operating Managers

**Bus Transit**, H. Donald White  
**Ferry Transit**, Stanley M. Kowleski  
**Golden Gate Bridge**, Robert Warren





**GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT**

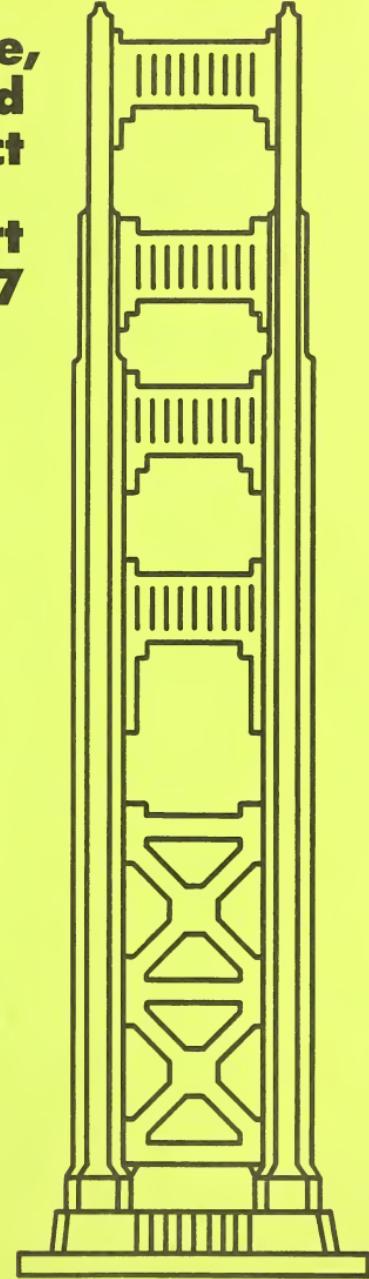
P.O. Box 9000, Presidio Station, San Francisco 94129 (415) 921-5858

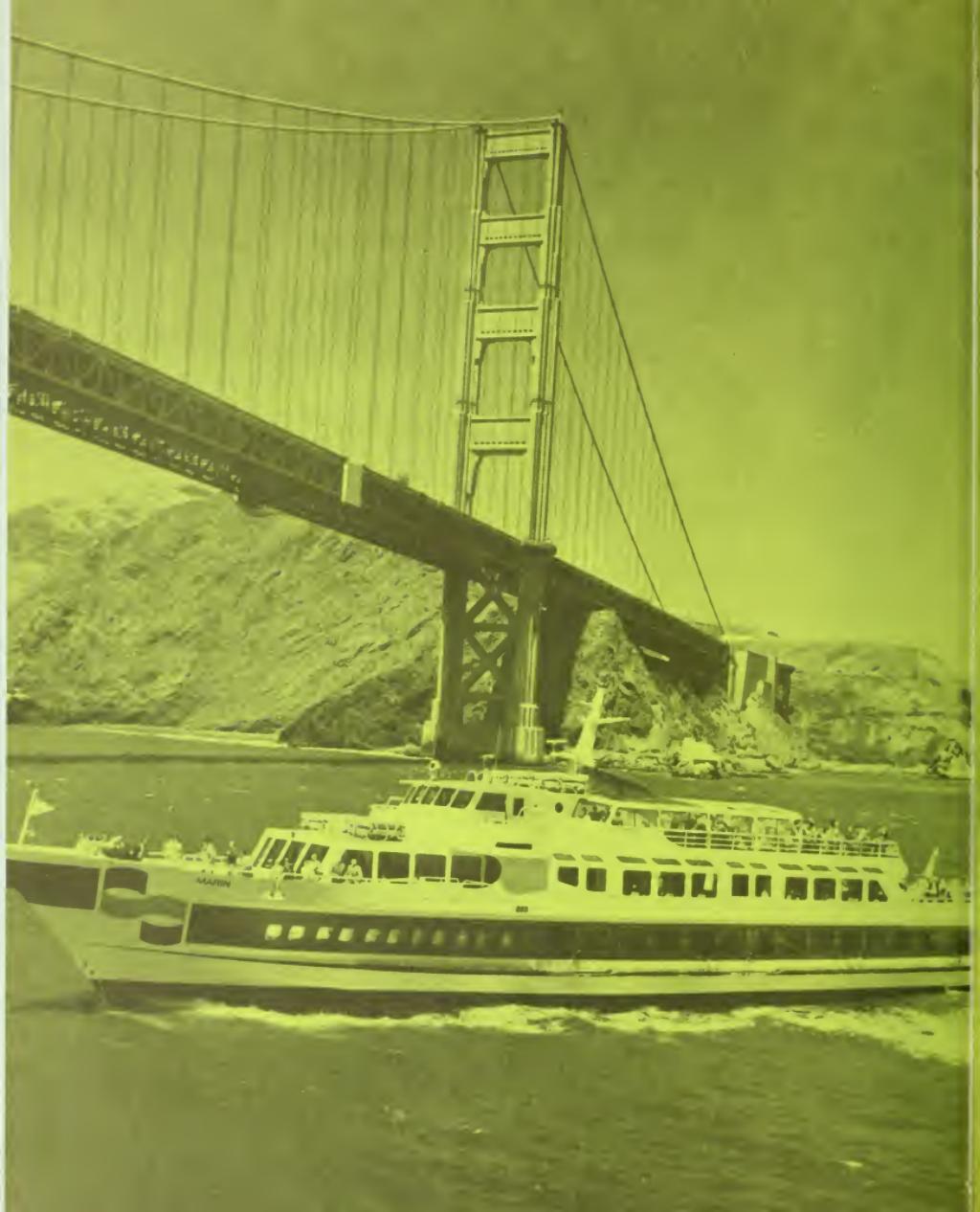
# Golden Gate Bridge, Highway and Transportation District

## Annual Report 1976-1977

SEP 7 1978

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To the People of the District:

This is a brief report to you on the activities of the District during the fiscal year which ended June 30, 1977.

The major event of the year was undoubtedly the dedication of the Larkspur Ferry Terminal and the entry into service of the first of our long-awaited new high-speed commuter ferry boats, the G.T. Marin. This occurred on December 11, 1976. The second new vessel, the G.T. Sonoma, was put into service on March 7, 1977.

The two new ferries, and the G.T. San Francisco, which will soon be added to the operating fleet, will enable us to continue to hold the commute-period traffic counts on the Golden Gate Bridge at the 1969 level. The added transit capacity is sorely needed, as our buses continue to run full during commute hours, and the numbers of commuters in the Golden Gate Corridor are increasing at an accelerated rate. Where in recent years we could expect to add 1,000 commuters annually, recent counts indicate that last year's increase exceeded 2,000. Without the transit option, these new commuters would be added to the auto traffic on U.S. 101, the Bridge and the streets of San Francisco.

The greatest challenge facing the District is to obtain the funds necessary to continue its transit services. Unlike other transit organizations in this area, as well as most others elsewhere, Golden Gate Bus and Ferry Transit receives no local tax support. We must meet essentially all of our operating costs from current income, and this is exceedingly difficult with continuing inflation. Therefore, tolls on the Golden Gate Bridge, which not only cover repair and maintenance of the bridge but the necessary subsidies for transit operations, must be increased. Transit fares also need to be adjusted upward, and it is expected that this will be accomplished in the new fiscal year. Without these necessary increases it will be necessary to cut back on transit services, since without recourse to the tax rolls, the District simply will not be able to operate transit at the necessary levels.

It is the Board of Directors' goal to meet at least half of transit costs from the fare box. The remaining monies come from bridge tolls not needed for maintenance and remedial work on the bridge and from state and federal operating assistance funds.

Last year, as you will note, the District had a deficit of almost \$1 million. This was covered by reserves. However, without toll and fare adjustments our modest necessary reserve funds will vanish. We know that this is not in the public's interest, and we trust that the residents of the District, and those who use its services, will support our efforts to operate in a fiscally responsible manner.

Once again, it is my privilege to express our Board's appreciation for the public's support in our efforts to reduce auto congestion and to provide transit alternatives to the automobile. And also, I would like to express our appreciation for the conscientious efforts of the District's employees who provide the attentive service the public expects from us.

For the Board of Directors

*Peter Tamaras*  
Peter Tamaras, President



## THE YEAR IN BRIEF

	1976-77	1975-76
<b>GOLDEN GATE BRIDGE</b>		
Total Vehicles	35,378,544	34,871,856
<b>GOLDEN GATE TRANSIT</b>		
Bus Passengers	8,374,579	7,046,797*
Ferry Passengers	1,708,321	1,103,810
<b>FINANCIAL SUMMARY</b>		
Operating Revenues	\$20,465,350	\$19,049,170
Expenses:		
Operating	19,136,155	15,282,792
Current repairs & maintenance	5,418,017	4,062,521
Major repairs & replacements (Bridge)	847,802	2,912,012
	<u>25,401,974</u>	<u>22,257,325</u>
Operating Revenues less Expenses	(4,936,624)	(3,208,155)
Other Income	<u>4,012,764</u>	<u>4,016,538</u>
Revenues over Expenses (Expenses over Revenues)	<u>\$ (923,860)</u>	<u>\$ 808,383</u>

\* Reduced patronage due to 64-day labor dispute with drivers.

**HASKINS & SELLS**

CERTIFIED PUBLIC ACCOUNTANTS

44 MONTGOMERY STREET  
SAN FRANCISCO, CALIFORNIA 94104

August 18, 1977

The Board of Directors,  
Golden Gate Bridge, Highway  
and Transportation District:

We have examined the statements of financial position of Golden Gate Bridge, Highway and Transportation District as of June 30, 1977 and 1976 and the related statements of revenues and expenses, changes in fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records, including those we deemed necessary to satisfy ourselves that expenditures were supported by proper documentation and were properly recorded, and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Golden Gate Bridge, Highway and Transportation District at June 30, 1977 and 1976 and its revenues and expenses, changes in its fund equity, and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations also comprehended the supplemental schedules of revenues and expenses of the Bridge, Bus Transit, and Ferry Transit Divisions for the years ended June 30, 1977 and 1976. In our opinion, such supplemental schedules, when considered in relation to the basic financial statements, present fairly in all material respects the information shown therein.



GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 1977 AND 1976

	1977	1976
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 819,794	\$ 576,494
Short-term investments.....	10,826,299	13,263,000
Federal grants receivable.....	3,519,582	3,279,499
Accounts and other receivables.....	263,517	191,500
Maintenance inventories and supplies.....	441,792	358,875
Prepaid insurance and other.....	259,771	102,063
Total current assets.....	<u>16,130,755</u>	<u>17,771,431</u>
<b>LESS CURRENT LIABILITIES:</b>		
Trade accounts.....	693,943	530,185
Accruals.....	1,746,961	1,176,159
Contract retentions.....	1,036,942	1,621,966
Current assets - net...	<u>12,652,909</u>	<u>14,443,121</u>
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land.....	4,227,625	4,207,210
Transit property and equipment:		
Bus Transit.....	18,807,314	18,675,609
Ferry Transit.....	21,916,925	980,661
Less accumulated depreciation.....	(6,898,711)	(4,859,165)
Net.....	<u>33,825,528</u>	<u>14,797,105</u>
Bridge and related buildings and equipment.....	43,617,431	43,483,775
Less accumulated depreciation.....	(12,158)	
Net.....	<u>43,605,273</u>	<u>43,483,775</u>
Construction in progress:		
Bus Transit.....	19,404	130,391
Ferry Transit.....	10,970,167	28,412,982
Property, plant, and equipment - net.....	<u>92,647,997</u>	<u>91,031,463</u>
<b>NET ASSETS AND FUND EQUITY.....</b>	<b><u>\$105,300,906</u></b>	<b><u>\$105,474,584</u></b>

See notes to financial statements.

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GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF REVENUES AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1977 AND 1976

	1977	1976*
<b>REVENUES:</b>		
Operating revenues:		
Bridge.....	\$12,947,397	\$12,988,278
Bus Transit.....	6,137,388	5,261,998
Ferry Transit.....	1,380,565	798,894
Total operating revenues.....	<u>20,465,350</u>	<u>19,049,170</u>
Operating assistance:		
Revenue from State Transportation		
Development Act.....	2,289,704	2,183,833
Federal operating assistance grants.....	857,748	649,411
Marin County transit subsidy.....	154,515	367,449
Total operating assistance.....	<u>3,301,967</u>	<u>3,200,693</u>
Investment income.....	710,797	815,845
Total revenues.....	<u>24,478,114</u>	<u>23,065,708</u>
<b>EXPENSES:</b>		
Operating expenses:		
Bridge.....	3,616,888	4,140,333
Bus Transit.....	11,911,894	9,501,460
Ferry Transit.....	3,607,373	1,640,999
Total operating expenses.....	<u>19,136,155</u>	<u>15,282,792</u>
Current repairs and maintenance:		
Bridge.....	2,637,585	2,235,097
Bus Transit.....	2,311,080	1,759,594
Ferry Transit.....	469,352	67,830
Total repairs and maintenance.....	<u>5,418,017</u>	<u>4,062,521</u>
Major repairs and replacements - Bridge.....	847,802	2,912,012
Total expenses.....	<u>25,401,974</u>	<u>22,257,325</u>
<b>EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES).....</b>		
	<u><u>\$ (923,860)</u></u>	<u><u>\$ 808,383</u></u>

\*Certain amounts reclassified to conform to 1977 presentation.

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION  
 FOR THE YEARS ENDED JUNE 30, 1977 AND 1976

	TOTAL	
	1977	1976*
<b>REVENUES:</b>		
Operating revenues.....	\$20,465,350	\$19,049,170
Operating assistance:		
Revenue from State Transportation		
Development Act.....	2,289,704	2,183,833
Federal operating assistance grants.....	857,748	649,411
Marin County transit subsidies.....	154,515	367,449
Total operating assistance.....	<u>3,301,967</u>	<u>3,200,693</u>
Investment income.....	710,797	815,845
Total revenues.....	<u>24,478,114</u>	<u>23,065,708</u>
<b>EXPENSES:</b>		
Operating expenses.....	19,136,155	15,282,792
Current repairs and maintenance.....	5,418,017	4,062,521
Major repairs and replacements - Bridge.....	847,802	2,912,012
Total expenses.....	<u>25,401,974</u>	<u>22,257,325</u>
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES).....	<u>\$ (923,860)</u>	<u>\$ 808,383</u>

\*Certain amounts reclassified

.....BRIDGE DIVISION....	1977	1976*	..BUS TRANSIT DIVISION..	1977	1976*	FERRY TRANSIT DIVISION	1977	1976*
\$12,947,397	\$12,988,278	\$ 6,137,388	\$ 5,261,998	\$ 1,380,565	\$ 798,894			
						2,048,337	1,961,941	241,367
						684,067	515,911	173,681
						154,515	367,449	133,500
						2,886,919	2,845,301	415,048
710,797	815,845							355,392
13,658,194	13,804,123	9,024,307	8,107,299	1,795,613	1,154,286			
3,616,888	4,140,333	11,911,894	9,501,460	3,607,373	1,640,999			
2,637,585	2,235,097	2,311,080	1,759,594	469,352	67,830			
847,802	2,912,012							
7,102,275	9,287,442	14,222,974	11,261,054	4,076,725	1,708,829			
\$ 6,555,919	\$ 4,516,681	\$(5,198,667)	\$(3,153,755)	\$(2,281,112)	\$ (554,543)			

o conform to 1977 presentation.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED JUNE 30, 1977 AND 1976

	1977	1976
<b>SOURCE OF FUNDS:</b>		
Operations:		
Excess of revenues over expenses.....	\$ 808,383	
Nonfund charges (credits):		
Depreciation and amortization.....	1,531,956	
Amortization of capital grants.....	(1,044,465)	
Funds provided by operations.....	1,295,874	
Capital grants:		
Bus Transit.....	\$ 45,166	525,107
Ferry Transit.....	2,131,625	5,818,827
Total funds provided.....	<u>2,176,791</u>	<u>7,639,808</u>
<b>APPLICATION OF FUNDS:</b>		
Operations:		
Excess of expenses over revenues.....	923,860	
Nonfund credits (charges):		
Depreciation and amortization.....	(2,059,987)	
Amortization of capital grants.....	1,426,609	
Funds used in operations.....	<u>290,482</u>	
Acquisition of property, plant, and equipment - net:		
Bridge.....	134,371	47,059
Bus Transit.....	20,717	1,072,414
Ferry Transit.....	3,521,433	7,244,084
Total funds applied.....	<u>3,967,003</u>	<u>8,363,557</u>
DECREASE IN NET CURRENT ASSETS.....	<u><u>\$ (1,790,212)</u></u>	<u><u>\$ (723,749)</u></u>
<b>INCREASE (DECREASE) IN ELEMENTS OF NET CURRENT ASSETS:</b>		
Cash.....	\$ 243,300	\$ 170,662
Short-term investments.....	(2,436,701)	(145,233)
Federal grants receivable.....	240,083	(1,692,757)
Other current assets.....	312,642	137,299
Trade accounts.....	(163,758)	253,634
Accruals.....	(570,802)	(135,354)
Contract retentions.....	585,024	688,000
DECREASE IN NET CURRENT ASSETS.....	<u><u>\$ (1,790,212)</u></u>	<u><u>\$ (723,749)</u></u>

See notes to financial statements.

9

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FUND EQUITY  
FOR THE YEARS ENDED JUNE 30, 1977 AND 1976

	1977	1976
BALANCE AT BEGINNING OF YEAR.....	\$105,474,584	\$ 99,366,732
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES).....	(923,860)	808,383
AMORTIZATION OF CAPITAL GRANTS.....	(1,426,609)	(1,044,465)
CAPITAL GRANTS:		
Bus Transit.....	45,166	525,107
Ferry Transit.....	2,131,625	5,818,827
BALANCE AT END OF YEAR.....	<u>\$105,300,906</u>	<u>\$105,474,584</u>

See notes to financial statements.



GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

## 1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the State of California and the United States Government.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant, and equipment - The Bridge, related buildings, and equipment are carried at cost. No depreciation has been provided on the Bridge and related buildings, since, in the opinion of management, the assets will be maintained to provide indefinite useful lives. Maintenance and repairs are expensed as incurred. No depreciation has been provided on bridge equipment acquired prior to July 1, 1976; equipment acquired subsequent to this date is being depreciated over its useful life (3 to 20 years). The effect of this change in accounting was not material.

Transit property and equipment are carried at cost and depreciated by the straight line method over their estimated useful lives (buses, 10 years; ferry boats, 40 years). Depreciation on equipment acquired by capital grants is included in expense, reduced by the amortization of related capital grants. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Additions of a major nature are capitalized.

The cost of acquisition and construction of mass transit equipment and facilities is recorded in construction in progress until such assets are placed in service, at which time depreciation (and amortization of capital grants) is recorded.

11

Pension plans - The District has several pension plans covering all employees. Certain union members are covered under various union administered plans while other union and nonunion employees are participants in the State of California's Public Employees' Retirement System. The District's policy is to fund pension cost as accrued. Pension expense for the years ended June 30, 1977 and 1976 was \$1,552,000 and \$1,266,000, respectively.

Vacation and sick pay - District employees accrue vacation and sick leave annually based on job classification and years of service. Vacation and sick leave are charged to expense as paid. The District's unrecorded liability for such benefits at June 30, 1977 approximates \$1,450,000.

### 3. FEDERAL CAPITAL GRANTS

The District has received two grants under the Urban Mass Transportation Act which provide Federal financing primarily for the acquisition of buses and the construction of ferry boats and terminals. These grants are summarized at June 30, 1977 as follows:

	Bus Transit Division	Ferry Transit Division
Total approved project cost.....	<u>\$20,134,462</u>	<u>\$37,999,582</u>
Total Federal grants.....	<u>\$14,680,548</u>	<u>\$26,914,826</u>
Amounts received.....	<u>13,689,630</u>	<u>21,189,031</u>
Amount receivable.....	<u>208,546</u>	<u>2,446,174</u>
Remaining amount available under grants.....	<u>\$ 782,372</u>	<u>\$ 3,279,621</u>
Total Federal grants credited to fund equity.....	<u>\$13,898,176</u>	<u>\$23,635,205</u>
Less amounts amortized.....	<u>(4,317,115)</u>	<u>(327,807)</u>
Net Federal grants in fund equity at June 30, 1977.....	<u>\$ 9,581,061</u>	<u>\$23,307,398</u>

Expenditures of Federal grant funds are subject to final review by the Urban Mass Transportation Administration. At June 30, 1977 expenditures of approximately \$19,100,000 have been reviewed. The District anticipates that the unreviewed expenditures will be approved in full.

## 4. FEDERAL OPERATING ASSISTANCE

The District was allocated \$857,748 and \$649,411 of Federal operating assistance for the years ended June 30, 1977 and 1976, respectively. Federal funds are apportioned to the local urban areas and are distributed to individual transit operators by metropolitan planning organizations after approval by the Urban Mass Transportation Administration. The 1977 funds are subject to final review and the District anticipates that they will be approved in full.

## 5. STATE TRANSPORTATION DEVELOPMENT FUNDS

The District has received \$2,289,704 and \$2,183,833 of State Transportation Development Act funds for the years ended June 30, 1977 and 1976, respectively. The funds, generated within Marin, Sonoma, and San Francisco counties to meet, in part, the District's operating and capital requirements, are apportioned based on annual claims filed by the District and approved by the Metropolitan Transportation Commission.

## 6. DISTRICT RESERVES

District reserves, defined as net current assets less assets unavailable to satisfy general obligations of the District, are as follows:

	<u>1977</u>	<u>1976</u>
Current assets - net.....	\$12,652,909	\$14,443,121
Less:		
Maintenance inventories and supplies.....	441,792	358,875
Prepaid insurance and other.....	259,771	102,063
District reserves.....	<u>\$11,951,346</u>	<u>\$13,982,183</u>

Pursuant to a Board of Directors' resolution, the District must maintain unrestricted District reserves of at least \$5,000,000 to provide for unanticipated expenses. The Board has restricted portions of the District reserve for the replacement of transit vehicles and other anticipated expenditures. Unrestricted District reserves at June 30, 1977 and 1976 were as follows:

	<u>1977</u>	<u>1976</u>
District reserves.....	\$11,951,346	\$13,982,183
Less District imposed restrictions:		
Replacement of buses and ferry boats.....	1,901,778	1,490,389
Replacement of Bridge deck...	500,000	
Ferry channel dredging.....	187,500	
Unrestricted District reserves.	<u>\$ 9,362,068</u>	<u>\$12,491,794</u>

## 7. COMMITMENTS

At June 30, 1977 the District had commitments primarily for the construction of a ferry boat and terminal, and the acquisition of buses and Van Pool vehicles for approximately \$5,300,000. Capital grants will be used to finance a major portion of these commitments.

An engineering study released in July 1976 indicates that the Bridge will require major roadway repairs within the next ten years. The District currently has no estimate of such cost, although it is expected to be substantial.

## 8. SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENSES BY DIVISION

District overhead costs have been allocated to the operating divisions by resolution of the Board of Directors as follows:

	<u>1977</u>	<u>1976</u>
Bridge Division.....	\$ 709,000	\$1,417,000
Bus Transit Division.....	1,023,000	546,000
Ferry Transit Division.....	355,000	218,000
<b>Total.....</b>	<b><u>\$2,087,000</u></b>	<b><u>\$2,181,000</u></b>

## OFFICERS · DIRECTORS · MANAGERS

### Officers of the District

Peter Tamaras, President  
C. Paul Bettini, First Vice President  
John L. Molinari, Second Vice President  
Dale W. Luehring, General Manager  
Carney J. Campion, Secretary  
Robert D. Tough, Auditor-Controller  
David J. Miller, Attorney  
Harry D. Reilich, Engineer

### District Board of Directors

City and County of San Francisco  
Manuel Ceballos  
Daniel F. Del Carlo  
Robert E. Gonzales  
Stephan C. Leonoudakis  
John L. Molinari  
William Moskovitz  
Ronald Pelosi  
Peter Tamaras  
Dorothy von Beroldingen

### Operating Managers

Bus Transit, H. Donald White  
Ferry Transit, Stanley M. Kowleski  
Golden Gate Bridge, Robert Warren

### Marin County

Arnold Baptiste  
C. Paul Bettini  
Logan Eisele, III  
Gary T. Giacomini

### Sonoma County

L.E. Castner  
William K. Johnson  
William R. Lucius

### Napa County

Lowell Edington

### Mendocino County

Carl Daubeneck

### Del Norte County

Edwin M. Fraser



**GOLDEN GATE BRIDGE HIGHWAY AND TRANSPORTATION DISTRICT**

P.O. Box 9000, Presidio Station, San Francisco 94129 (415) 921-5858

# Golden Gate Bridge, Highway and Transportation District

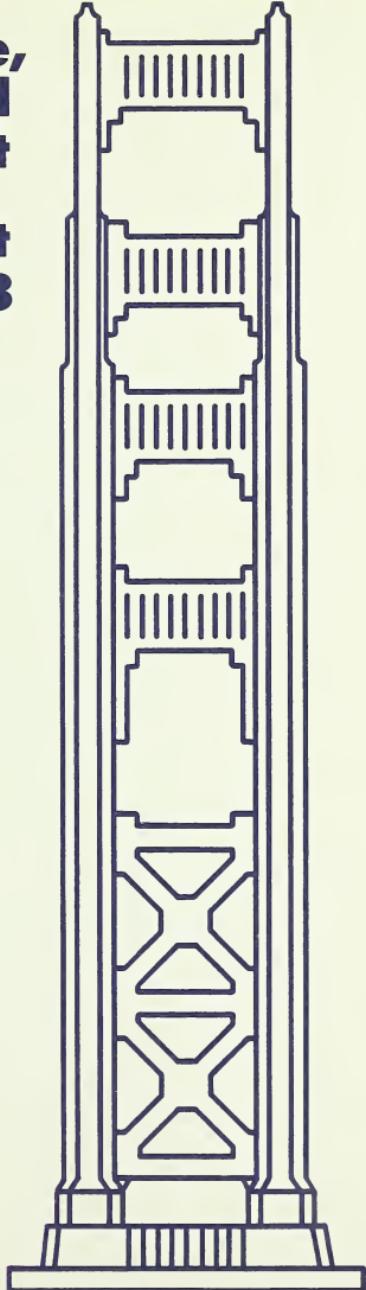
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## Annual Report 1977-1978

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GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

**THE YEAR IN BRIEF**

**1977-78**

**1976-77**

**GOLDEN GATE BRIDGE**

Total Vehicles	36,031,236	35,378,544
----------------	------------	------------

**GOLDEN GATE TRANSIT**

Bus Passengers	8,647,031	8,374,579
Ferry Passengers	2,142,448	1,708,321

**FINANCIAL SUMMARY**

Operating Revenues	\$24,898,470	\$20,465,350
Expenses:		
Operating	23,262,101	19,136,155
Current repairs & maintenance	6,769,148	5,418,017
Major repairs & replacements (Bridge)	346,723	847,802
	<u>30,377,972</u>	<u>25,401,974</u>
Operating Revenues less Expenses	(5,479,502)	(4,936,624)
Other Income	<u>5,436,421</u>	<u>4,012,764</u>
Expenses over Revenues	<u>\$ 43,081</u>	<u>\$ 923,860</u>

**OFFICERS • DIRECTORS • MANAGERS**

**Officers of the District**

C. Paul Bettini, President  
John L. Molinari, First Vice President  
Carl Daubeneck, Second Vice President  
Dale W. Luehring, General Manager  
Carney J. Campion, Secretary  
Robert D. Taugh, Auditor-Controller  
David J. Miller, Attorney  
Harry D. Reich, Engineer

**Operating Managers**

Bus Transit, H. Donald White  
Ferry Transit, Stanley M. Kowaleski  
Golden Gate Bridge, Robert Warren

**District Board of Directors**

**City and County of San Francisco**  
Manuel Ceballos  
Daniel F. Del Carlo  
Robert E. Gonzales  
Quentin L. Kopp  
Stephan C. Leonoudakis  
John L. Molinari  
William Moskovitz  
Ronald Pelosi  
Peter Tamaras

**Marin County**  
Arnold Baptiste  
C. Paul Bettini  
Logan Eisele, III  
Gary T. Giacomin

**Sonoma County**  
L. E. Castner  
William K. Johnson  
Allen C. Stansbury

**Napa County**  
Lowell Edington

**Mendocino County**  
Carl Daubeneck

**Del Norte County**  
Edwin M. Fraser



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

October 2, 1978

C. PAUL BETTINI  
PRESIDENT OF THE BOARD

To the People of the District:

On the following pages of this report are the financial statements relating to the District's fiscal affairs during the 12 months ended June 30, 1978. The purpose of this brief letter is to highlight some facts that are not apparent in the audited figures.

At the end of the fiscal year, the last major element of our water transit program was completed with the opening of the San Francisco Ferry Terminal. This new facility is now accommodating up to 9,000 passengers daily on the Larkspur and Sausalito ferry runs. We expect, with our facilities now complete, to see continuing increases in ferry patronage.

In the first week of this new fiscal year, on July 5, 1978, the Golden Gate Bridge experienced its highest traffic day in history, when 118,796 vehicles crossed the span. This exceeds the previous record of August 8, 1971, by more than 5,000 vehicles and dramatizes the continuing growth of auto traffic in the Golden Gate Corridor.

Despite the District's development of improved transit, and the numbers of people riding in carpools and vanpools, every month traffic on the bridge increases up to three percent above the same month the year before. An average of more than 100,000 vehicles now cross the bridge daily, while a few years ago the daily average was about 90,000.

We are pleased to note, however, that 50% or more of the morning commuters are in public transit or carpools during the peak hour (7:00 to 8:00 a.m.). It is our goal to see half the entire commuting population in buses, ferries or carpools each morning in the 6:00 to 10:00 a.m. period.

The least expensive form of transit can be the private automobile. Right now, the 20,000 autos that cross the bridge during morning commute hours carry an average of 1.5 persons per car. If that average were increased to two persons, it would greatly help in accommodating present and future growth in the Corridor. To this end we are working with other public agencies and local governments to encourage carpooling, and we solicit the interest and support of all the people of the District.

Again, we want to acknowledge the efforts of all of the District's personnel in the Bridge, Bus and Ferry Divisions in providing courteous and conscientious service to the public. We appreciate their interest and enthusiasm.

For the Board of Directors,

*Paul Bettini*  
C. Paul Bettini, President

44 Montgomery Street  
San Francisco, California 94104  
(415) 393-4300  
Telex 340336

The Board of Directors  
Golden Gate Bridge, Highway and  
Transportation District:

We have examined the statements of financial position of Golden Gate Bridge, Highway and Transportation District as of June 30, 1978 and 1977 and the related statements of revenues and expenses, changes in fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As discussed in Note 9, the District is defendant in litigation challenging the legality of an increase in Bridge tolls and transit fares effective November 1, 1977. A Superior Court has entered a judgment ordering the District to rebate the incremental funds collected. The District, on the advice of counsel, has appealed this judgment; however, the ultimate outcome of the litigation cannot presently be determined and, accordingly, no provision for any rebate that may result has been made in the financial statements.

In our opinion, subject to the effects on the 1978 financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the preceding paragraph been known, the financial statements referred to above present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1978 and 1977 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations also comprehended the supplemental schedules of revenues and expenses of the Bridge, Bus Transit, and Ferry Transit Divisions for the years ended June 30, 1978 and 1977. In our opinion, subject to the effects on the 1978 supplemental schedules of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the second preceding paragraph been known, such supplemental schedules, when considered in relation to the basic financial statements, present fairly in all material respects the information shown therein.

*Deloitte Haskins + Sells*

August 31, 1978

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 1978 AND 1977

	1978	1977
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 475,744	\$ 819,794
Short-term investments.....	11,554,020	10,826,299
Federal grants receivable.....	2,942,065	3,519,582
Accounts and other receivables.....	465,344	263,517
Maintenance inventories and supplies.....	1,132,472	441,792
Prepaid insurance and other.....	213,932	259,771
Total current assets.....	<u>16,783,577</u>	<u>16,130,755</u>
<b>LESS CURRENT LIABILITIES:</b>		
Trade accounts.....	856,611	693,943
Accrued liabilities.....	2,327,407	1,746,961
Contract retentions.....	764,307	1,036,942
Total current liabilities..	<u>3,948,325</u>	<u>3,477,846</u>
Current assets - net..	<u>12,835,252</u>	<u>12,652,909</u>
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land.....	4,305,199	4,227,625
Transit property and equipment:		
Bus Transit.....	19,228,582	18,807,314
Ferry Transit.....	36,054,774	21,916,925
Less accumulated depreciation.....	(9,326,101)	(6,898,711)
Net.....	<u>45,957,255</u>	<u>33,825,528</u>
Bridge and related buildings and equipment.....	43,752,932	43,617,431
Less accumulated depreciation.....	(38,576)	(12,158)
Net.....	<u>43,714,356</u>	<u>43,605,273</u>
Construction in progress:		
Bus Transit.....	33,220	19,404
Ferry Transit.....	312,948	10,970,167
Property, plant, and equipment - net.....	<u>94,322,978</u>	<u>92,647,997</u>
<b>NET ASSETS AND FUND EQUITY.....</b>	<u>\$107,158,230</u>	<u>\$105,300,906</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF REVENUES AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1978 AND 1977

	1978	1977
<b>REVENUES:</b>		
Operating revenues:		
Bridge.....	\$15,890,977	\$12,947,397
Bus Transit.....	6,905,282	6,137,388
Ferry Transit.....	2,102,211	1,380,565
Total operating revenues.....	<u>24,898,470</u>	<u>20,465,350</u>
Operating assistance:		
Revenue from State Transportation		
Development Act.....	3,062,269	2,289,704
Federal operating assistance grants.....	993,100	857,748
Marin County transit subsidy.....	680,957	154,515
Total operating assistance.....	<u>4,736,326</u>	<u>3,301,967</u>
Investment income.....	700,095	710,797
Total revenues.....	<u>30,334,891</u>	<u>24,478,114</u>
<b>EXPENSES:</b>		
Operating expenses:		
Bridge.....	4,466,440	3,616,888
Bus Transit.....	13,159,049	11,911,894
Ferry Transit.....	5,636,612	3,607,373
Total operating expenses.....	<u>23,262,101</u>	<u>19,136,155</u>
Current repairs and maintenance:		
Bridge.....	3,016,810	2,637,585
Bus Transit.....	2,645,137	2,311,080
Ferry Transit.....	1,107,201	469,352
Total repairs and maintenance.....	<u>6,769,148</u>	<u>5,418,017</u>
Major repairs and replacements - Bridge...	346,723	847,802
Total expenses.....	<u>30,377,972</u>	<u>25,401,974</u>
EXCESS OF EXPENSES OVER REVENUES.....	<u>\$ 43,081</u>	<u>\$ 923,860</u>

See notes to financial statements.

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GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED JUNE 30, 1978 AND 1977

	1978	1977
<b>SOURCE OF FUNDS:</b>		
Operations:		
Excess of expenses over revenues.....	\$ (43,081)	
Nonfund charges (credits):		
Depreciation and amortization.....	2,468,304	
Amortization of capital grants.....	<u>(1,694,604)</u>	
Funds provided by operations.....	730,619	
Capital grants:		
Bus Transit.....	311,041	\$ 45,166
Ferry Transit.....	3,283,968	2,131,625
Transfer spare parts from construction in progress to maintenance inventories and supplies.....	<u>653,887</u>	
Total funds provided.....	<u>4,979,515</u>	<u>2,176,791</u>
<b>APPLICATION OF FUNDS:</b>		
Operations:		
Excess of expenses over revenues.....	923,860	
Nonfund credits (charges):		
Depreciation and amortization.....	<u>(2,059,987)</u>	
Amortization of capital grants.....	<u>1,426,609</u>	
Funds used in operations.....	<u>290,482</u>	
Acquisition of property, plant, and equipment - net:		
Bridge.....	137,381	134,371
Bus Transit.....	442,454	20,717
Ferry Transit.....	<u>4,217,337</u>	<u>3,521,433</u>
Total funds applied.....	<u>4,797,172</u>	<u>3,967,003</u>
INCREASE (DECREASE) IN NET CURRENT ASSETS.....	<u>\$ 182,343</u>	<u>\$(1,790,212)</u>
<b>INCREASE (DECREASE) IN ELEMENTS OF NET CURRENT ASSETS:</b>		
Cash.....	\$ (344,050)	\$ 243,300
Short-term investments.....	727,721	<u>(2,436,701)</u>
Federal grants receivable.....	<u>(577,517)</u>	240,083
Other current assets.....	846,668	312,642
Trade accounts.....	<u>(162,668)</u>	<u>(163,758)</u>
Accrued liabilities.....	<u>(580,446)</u>	<u>(570,802)</u>
Contract retentions.....	272,635	585,024
INCREASE (DECREASE) IN NET CURRENT ASSETS.....	<u>\$ 182,343</u>	<u>\$(1,790,212)</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION  
FOR THE YEARS ENDED JUNE 30, 1978 AND 1977

	TOTAL	
	1978	1977
<b>REVENUES:</b>		
Operating revenues.....	\$24,898,470	\$20,465,350
Operating assistance:		
Revenue from State Transportation Development Act.....	3,062,269	2,289,704
Federal operating assistance grants.....	993,100	857,748
Marin County transit subsidy.....	680,957	154,515
Total operating assistance.....	4,736,326	3,301,967
Investment income.....	700,095	710,797
Total revenues.....	30,334,891	24,478,114
<b>EXPENSES:</b>		
Operating expenses.....	23,262,101	19,136,155
Current repairs and maintenance.....	6,769,148	5,418,017
Major repairs and replacements - Bridge.....	346,723	847,802
Total expenses.....	30,377,972	25,401,974
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES).....	\$ (43,081)	\$ (923,860)

....BRIDGE DIVISION.....		...BUS TRANSIT DIVISION..		FERRY TRANSIT DIVISION	
1978	1977	1978	1977	1978	1977
15,890,977	\$12,947,397	\$ 6,905,282	\$ 6,137,388	\$ 2,102,211	\$ 1,380,565
		2,631,172	2,048,337	431,097	241,367
		786,016	684,067	207,084	173,681
		680,957	154,515		
		4,098,145	2,886,919	638,181	415,048
700,095	710,797				
16,591,072	13,658,194	11,003,427	9,024,307	2,740,392	1,795,613
4,466,440	3,616,888	13,159,049	11,911,894	5,636,612	3,607,373
3,016,810	2,637,585	2,645,137	2,311,080	1,107,201	469,352
346,723	847,802				
7,829,973	7,102,275	15,804,186	14,222,974	6,743,813	4,076,725
8,761,099	\$ 6,555,919	\$(4,800,759)	\$(5,198,667)	\$(4,003,421)	\$(2,281,112)

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICTSTATEMENTS OF CHANGES IN FUND EQUITY  
FOR THE YEARS ENDED JUNE 30, 1978 AND 1977

---

	1978	1977
BALANCE AT BEGINNING OF YEAR.....	\$105,300,906	\$105,474,584
EXCESS OF EXPENSES OVER REVENUES.....	(43,081)	(923,860)
AMORTIZATION OF CAPITAL GRANTS.....	(1,694,604)	(1,426,609)
CAPITAL GRANTS:		
Bus Transit.....	311,041	45,166
Ferry Transit.....	3,283,968	2,131,625
BALANCE AT END OF YEAR.....	<u>\$107,158,230</u>	<u>\$105,300,906</u>

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See notes to financial statements.

9

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant, and equipment - The Bridge, related buildings, and equipment are carried at cost. No depreciation has been provided on the Bridge and related buildings, since, in the opinion of management, the assets will be maintained to provide indefinite useful lives. Maintenance and repairs are expensed as incurred. No depreciation has been provided on Bridge equipment acquired prior to July 1, 1976; equipment acquired subsequent to this date is being depreciated over its useful life (3 to 20 years).

Transit property and equipment are carried at cost and depreciated by the straight line method over their estimated useful lives (buses, 10 years; ferry boats, 40 years). Depreciation on equipment acquired by capital grants is included in expense, reduced by the amortization of related capital grants. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Additions of a major nature are capitalized.

The cost of acquisition and construction of mass transit equipment and facilities is recorded in construction in progress until such assets are placed in service, at which time depreciation and amortization of capital grants are recorded.

Pension plans - The District has several pension plans covering all employees. Certain union members are covered under various union administered plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. The District's policy is to fund pension cost as accrued. Pension expense for the years ended June 30, 1978 and 1977 was \$1,852,000 and \$1,552,000, respectively.

Vacation and sick pay - District employees accrue vacation and sick leave annually based on job classification and years of service. Vacation and sick leave are charged to expense as paid. The District's unrecorded liability for such benefits at June 30, 1978 approximates \$1,625,000.

### 3. FEDERAL CAPITAL GRANTS

The District has received grants under the Urban Mass Transportation Act which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The grants are summarized at June 30, 1978 as follows:

	Bus Transit Division	Ferry Transit Division
Total approved project cost.....	<u>\$22,904,935</u>	<u>\$38,116,869</u>
Total Federal grants.....	<u>\$16,397,180</u>	<u>\$27,508,403</u>
Less:		
Amounts received.....	(13,931,277)	(25,287,674)
Amount receivable.....	(277,942)	(1,631,497)
Remaining amount available under grants.....	<u>\$ 2,187,961</u>	<u>\$ 589,232</u>
Total Federal grants credited to fund equity.....	<u>\$14,209,219</u>	<u>\$26,919,171</u>
Less amounts amortized.....	(5,452,482)	(887,044)
Net Federal grants in fund equity at June 30, 1978.....	<u>\$ 8,756,737</u>	<u>\$26,032,127</u>

Expenditures of Federal grant funds are subject to final review by the Urban Mass Transportation Administration. At June 30, 1978, expenditures of approximately \$19,100,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$22,000,000) will be approved in full.

#### 4. FEDERAL OPERATING ASSISTANCE

The District was allocated \$993,100 and \$857,748 of Federal operating assistance for the years ended June 30, 1978 and 1977, respectively. These funds are distributed to the District by the Metropolitan Transportation Commission after approval by the Urban Mass Transportation Administration (UMTA). The 1978 funds are subject to final review and the District anticipates that they will be approved in full.

#### 5. STATE TRANSPORTATION DEVELOPMENT FUNDS

The District has received \$3,062,269 and \$2,289,704 of State Transportation Development Act funds for the years ended June 30, 1978 and 1977, respectively. The funds, generated within Marin, Sonoma, and San Francisco counties to meet, in part, the District's operating requirements, are apportioned based on annual claims filed by the District and approved by the Metropolitan Transportation Commission.

#### 6. VANPOOL DEMONSTRATION PROJECT

The District has a two-year contract through June 1979 with UMTA to demonstrate the feasibility of commuter vanpools as a form of mass transportation. The District has acquired 35 vans and has organized commuter vanpools operating in the Golden Gate corridor. All equipment acquisition and project administration costs are funded by a Federal demonstration grant of \$738,200. Vehicle operating expenses are charged to the commuter participants.

Expenditures of vanpool grant funds from inception through June 30, 1978 are as follows:

Purchase of vans and equipment.....	\$333,578
Organizational and administrative costs.	210,988
Excess of operating revenues over	
expenses.....	<u>(21,334)</u>
Total.....	<u>\$523,232</u>

## 7. DISTRICT RESERVES

District reserves are defined as net current assets less assets unavailable to satisfy general obligations of the District. The Board of Directors has restricted portions of the District reserves for the replacement of transit equipment and other anticipated expenditures. The Board of Directors also requires the District to maintain a general reserve of at least \$5,000,000 for unanticipated expenses. An analysis of District reserves at June 30, 1978 and 1977 follows:

	<u>1978</u>	<u>1977</u>
Current assets - net.....	\$12,835,252	\$12,652,909
Less:		
Maintenance inventories and supplies.....	1,132,472	441,792
Prepaid insurance and other.....	213,932	259,771
Total District reserves.....	<u>11,488,848</u>	<u>11,951,346</u>
Less District imposed restrictions for:		
Replacement of buses and ferry boats.....	2,387,235-	1,901,778
Replacement of Bridge deck.....	1,500,000-	500,000
Insurance reserves.....	597,951	
Ferry channel dredging.....	312,500	187,500
General reserve.....	5,000,000	5,000,000
Unrestricted District reserves.....	<u>\$ 1,691,162</u>	<u>\$ 4,362,068</u>

## 8. COMMITMENTS AND CONTINGENCIES

At June 30, 1978 the District had commitments of approximately \$2,400,000, primarily for the acquisition of transit equipment. Capital grants will be used to finance a major portion of these commitments.

The Bridge will require major roadway repairs within the next ten years. The District is currently investigating methods of repair, costs, and funding sources.

There are claims and litigation pending which are considered normal to the District's operation of the Bridge and transit systems. The District maintains insurance coverage for such incidents, and provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies.

## 9. TOLL AND FARE LITIGATION

The District is defendant in litigation challenging the legality of an increase in Bridge tolls and transit fares effective November 1, 1977. In April 1978 the San Mateo County Superior Court entered a judgment against the District declaring the increases invalid, enjoining the District from continuing to collect the higher tolls and fares, and ordering the District to rebate to users the incremental funds collected. The District has appealed the judgment to the First District Court of Appeal, which issued a stay of enforcement pending appeal.

If the Court of Appeal affirms the Superior Court judgment, the District could be required to rebate approximately \$4,250,000, of which \$3,650,000 is attributable to the year ended June 30, 1978.

The District and the plaintiffs are currently attempting to negotiate a settlement of this matter; however, the outcome cannot presently be determined and, accordingly, no provision for any rebate that may result has been made in the financial statements.

## 10. SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION

District overhead costs have been allocated to the operating divisions by resolution of the Board of Directors as follows:

	<u>1978</u>	<u>1977</u>
Bridge Division.....	\$ 940,000	\$ 709,000
Bus Transit Division.....	747,000	1,023,000
Ferry Transit Division.....	<u>605,000</u>	<u>355,000</u>
Total.....	<u>\$2,292,000</u>	<u>\$2,087,000</u>



**GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT**  
P.O. Box 9000, Presidio Station, San Francisco 94129 (415) 921-5858

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1978-79



# ANNUAL REPORT 1978—1979

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

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## THE YEAR IN BRIEF

1978-79

1977-78

## GOLDEN GATE BRIDGE

Total Vehicles	36,723,760	36,031,236
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## GOLDEN GATE TRANSIT

Bus Passengers	8,745,609	8,647,031
Ferry Passengers	2,059,908	2,142,448

## FINANCIAL SUMMARY

Operating Revenues	\$28,349,926	\$24,898,470
Expenses:		
Operating	24,633,514	23,262,101
Current repairs & maintenance	6,891,693	7,115,871
Toll & Fare Litigation	666,000	—
	32,191,207	30,377,972
Operating Revenues less Expenses	(3,841,281)	(5,479,502)
Other Income	6,935,252	5,436,421
Excess (Deficiency) of Revenues over Expenses	\$3,093,971	(\$ 43,081)

## OFFICERS • DIRECTORS • MANAGERS

## Officers of the District

C. Paul Bettini, President  
John L. Molinari, First Vice President  
Carl Daubeneck, Second Vice President  
Dale W. Luehring, General Manager  
Carney J. Campion, Secretary  
Robert D. Tough, Auditor-Controller  
David J. Miller, Attorney  
Harry D. Reilich, Engineer

## Operating Managers

Bus Transit, H. Donald White  
Ferry Transit, Stanley M. Kowleski  
Golden Gate Bridge, Robert Warren

## District Board of Directors

## City and County of San Francisco

Manuel Ceballos  
Daniel F. Dei Carlo  
Robert E. Gonzales  
Quentin L. Kopp  
Stephan C. Leonoudakis  
John L. Molinari  
William Moskovitz  
Ronald Pelosi  
Peter Tamaras

## Marin County

C. Paul Bettini  
Barbara Boxer  
Logan Eisold, III  
Gerry T. Giacomini

## Sonoma County

L.E. Castner  
Helen Putnam  
Allen C. Stansbury

## Napa County

Lowell Edington

## Mendocino County

Carl Daubeneck

## Del Norte County

Edwin M. Fraser



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

1

C. PAUL BETTINI  
PRESIDENT OF THE BOARD

November 19, 1979

TO THE PEOPLE OF THE DISTRICT:

This Annual Report provides an insight into District finances for Fiscal Year 1978-79. During the year, a number of important events took place which had significant effects on the District's financial position.

The fuel shortage, plus escalating fuel costs, had a dramatic effect on District operations. In July of 1978, the beginning of our fiscal year, diesel fuel was selling at an average of 35 cents per gallon. By the end of June 1979, the price had risen to an average of 61 cents per gallon, and was headed even higher. The excess in revenue achieved in 1978-79 will be used to help meet the increased operating costs. These higher fuel costs, together with high rates of inflation, are depleting the District's unrestricted reserves. In the future, it will be necessary to explore every available source of revenue, if we are to be able to continue transit operations at present levels.

The fuel situation had a direct impact on bus and ferry patronage, as people gave up their cars in favor of public transit. Bus patronage set a record in May, when 9,802 persons were carried on transbay buses during the morning commute period. The previous record occurred during the 1974 fuel shortage, when 9,668 persons were carried.

Ferry patronage had been increasing gradually during the year. When the fuel crunch came, a record was set in May, when 53,271 passengers were carried during a one-week period.

Bridge traffic showed a drop during the fuel crisis. Prior to the fuel crunch, daily traffic averaged 96,538. During the height of the fuel shortage, traffic was down to 93,054. This severe drop in Bridge traffic resulted in lower Bridge revenues.

One costly financial question was resolved during the year. This involved a 40 million dollar price tag for replacement of the Bridge roadway. The U.S. Government has agreed to fund 80 percent of the replacement cost.

Speaking on behalf of the Board, I wish to express my thanks for public support of the District operations, and for the conscientious support of District personnel.

FOR THE BOARD OF DIRECTORS:

*C. Paul Bettini*  
C. Paul Bettini, President

44 Montgomery Street  
San Francisco, California 94104  
(415) 393-4300  
Telex 340336

AUDITORS' OPINION

The Board of Directors of  
Golden Gate Bridge, Highway and  
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District as of June 30, 1979 and 1978 and the related statements of revenues and expenses, changes in fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our report dated August 31, 1978, our opinion on the 1978 financial statements was qualified as being subject to the effects of such adjustments, if any, as might have been required had the outcome of litigation challenging the legality of an increase in Bridge tolls and transit fares effective November 1, 1977 been known. As discussed in Note 9, a negotiated settlement has been reached and a provision for refund of \$666,000 has been made in the 1979 financial statements as required by generally accepted accounting principles. Accordingly, our present opinion on the 1978 financial statements, as expressed herein, is different from that expressed in our previous report.

In our opinion, the financial statements referred to above present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1979 and 1978 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations also comprehended the supplemental schedules of revenues and expenses of the Bridge, Bus Transit, and Ferry Transit Divisions for the years ended June 30, 1979 and 1978. In our opinion, such supplemental schedules, when considered in relation to the basic financial statements, present fairly in all material respects the information shown therein.

*Deloitte Haskins + Sells*

September 7, 1979, except for Note 9 as to which the date is September 26, 1979

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

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STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 1979 AND 1978

	1979	1978
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 516,406	\$ 475,744
Short-term investments.....	15,993,461	11,554,020
Federal grants receivable.....	2,616,094	2,942,065
Accounts and other receivables.....	493,959	465,344
Maintenance inventories and supplies.....	1,192,395	1,132,472
Prepaid insurance and other.....	170,535	213,932
 Total current assets.....	 20,982,850	 16,783,577
<b>LESS CURRENT LIABILITIES:</b>		
Trade accounts payable.....	744,383	856,611
Accrued liabilities.....	3,918,924	2,327,407
Contract retentions.....	662,752	764,307
 Total current liabilities.....	 5,326,059	 3,948,325
 Net current assets...	 15,656,791	 12,835,252
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land.....	4,297,594	4,305,199
Transit property and equipment:		
Bus Transit.....	21,410,046	19,228,582
Ferry Transit.....	36,437,475	36,054,774
Accumulated depreciation.....	(12,122,761)	(9,326,101)
Net.....	45,724,760	45,957,255
Bridge and related buildings and equipment.....	43,798,137	43,752,932
Accumulated depreciation.....	(84,876)	(38,576)
Net.....	43,713,261	43,714,356
Construction in progress:		
Bridge.....	511,461	
Bus Transit.....	114,680	33,220
Ferry Transit.....	346,941	312,948
 Property, plant, and equipment - net.....	 94,708,697	 94,322,978
 <b>NET ASSETS AND FUND EQUITY</b> .....	 \$110,365,488	 \$107,158,230

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF REVENUES AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1979 AND 1978

	1979	1978
<b>REVENUES:</b>		
Operating revenues:		
Bridge.....	\$17,461,538	\$15,890,977
Bus Transit.....	8,141,635	6,905,282
Ferry Transit.....	2,746,753	2,102,211
Total operating revenues.....	<u>28,349,926</u>	<u>24,898,470</u>
Operating assistance:		
Revenue from State Transportation Development Act.....	3,666,491	3,062,269
Federal operating assistance grants.....	1,759,256	993,100
Marin County transit subsidy.....	127,310	680,957
Total operating assistance.....	<u>5,553,057</u>	<u>4,736,326</u>
Investment income.....	1,382,195	700,095
Total revenues.....	<u>35,285,178</u>	<u>30,334,891</u>
<b>EXPENSES:</b>		
Operating expenses:		
Bridge.....	5,023,748	4,466,440
Bus Transit.....	13,793,595	13,159,049
Ferry Transit.....	5,816,171	5,636,612
Total operating expenses.....	<u>24,633,514</u>	<u>23,262,101</u>
Current repairs and maintenance:		
Bridge.....	3,175,647	3,363,533
Bus Transit.....	2,643,431	2,645,137
Ferry Transit.....	1,072,615	1,107,201
Total repairs and maintenance.....	<u>6,891,693</u>	<u>7,115,871</u>
Toll and fare litigation.....	666,000	
Total expenses.....	<u>32,191,207</u>	<u>30,377,972</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES.....</b>	<u>\$ 3,093,971</u>	<u>\$ (43,081)</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED JUNE 30, 1979 AND 1978

	1979	1978
<b>SOURCE OF FUNDS:</b>		
Operations:		
Excess (deficiency) of revenues over expenses.....	\$ 3,093,971	\$ (43,081)
Nonfund charges (credits):		
Depreciation and amortization.....	2,901,333	2,468,304
Amortization of capital grants.....	(1,993,687)	(1,694,604)
Funds provided by operations.....	<u>4,001,617</u>	<u>730,619</u>
Capital grants:		
Bus Transit.....	1,769,715	311,041
Ferry Transit.....	337,259	3,283,968
Disposals of property.....	86,185	30,779
Transfer of spare parts from construction in progress to maintenance inventories and supplies.....	<u>653,887</u>	
Total funds provided.....	<u>6,194,776</u>	<u>5,010,294</u>
<b>APPLICATION OF FUNDS:</b>		
Acquisition of property, plant, and equipment:		
Bridge.....	605,753	166,439
Bus Transit.....	2,313,360	442,454
Ferry Transit.....	<u>454,124</u>	<u>4,219,058</u>
Total funds applied.....	<u>3,373,237</u>	<u>4,827,951</u>
<b>INCREASE IN NET CURRENT ASSETS:</b>		
<b>INCREASE (DECREASE) IN ELEMENTS OF NET CURRENT ASSETS:</b>		
Cash.....	\$ 40,662	\$ (344,050)
Short-term investments.....	4,439,441	727,721
Federal grants receivable.....	(325,971)	(577,517)
Other current assets.....	45,141	846,668
Trade accounts.....	112,228	(162,668)
Accrued liabilities.....	(1,591,517)	(580,446)
Contract retentions.....	101,555	272,635
<b>INCREASE IN NET CURRENT ASSETS:</b>		
	<u>\$ 2,821,539</u>	<u>\$ 182,343</u>

See notes to financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUES  
FOR THE YEARS ENDED

	1979	1978	TOTAL
<b>REVENUES:</b>			
Operating revenues.....	\$28,349,926	\$24,898,470	
Operating assistance:			
Revenue from State Transportation Development Act.....	3,666,491	3,062,269	
Federal operating assistance grants.....	1,759,256	993,100	
Marin County transit subsidy.....	127,310	680,957	
Total operating assistance.....	<u>5,553,057</u>	<u>4,736,326</u>	
Investment income.....	1,382,195	700,095	
Total revenues.....	<u>35,285,178</u>	<u>30,334,891</u>	
<b>EXPENSES:</b>			
Operating expenses.....	24,633,514	23,262,101	
Current repairs and maintenance.....	6,891,693	7,115,871	
Toll and fare litigation.....	<u>666,000</u>		
Total expenses.....	<u>32,191,207</u>	<u>30,377,972</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES..	<u>\$ 3,093,971</u>	<u>\$ (43,081)</u>	

7  
BRIDGE  
TRANSPORTATION DISTRICTTAXES AND EXPENSES BY DIVISION  
FOR THE YEARS 1979 AND 1978

....BRIDGE DIVISION....		..BUS TRANSIT DIVISION..		.FERRY TRANSIT DIVISION.	
1979	1978	1979	1978	1979	1978
17,461,538	\$15,890,977	\$ 8,141,635	\$ 6,905,282	\$ 2,746,753	\$ 2,102,211
		3,132,891	2,631,172	533,600	431,097
		1,405,959	786,016	353,297	207,084
		127,310	680,957		
		4,666,160	4,098,145	886,897	638,181
1,382,195	700,095				
8,843,733	16,591,072	12,807,795	11,003,427	3,633,650	2,740,392
5,023,748	4,466,440	13,793,595	13,159,049	5,816,171	5,636,612
3,175,647	3,363,533	2,643,431	2,645,137	1,072,615	1,107,201
500,000		141,100		24,900	
8,699,395	7,829,973	16,578,126	15,804,186	6,913,686	6,743,813
0,144,338	\$ 8,761,099	\$(3,770,331)	\$(4,800,759)	\$(3,280,036)	\$(4,003,421)

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FUND EQUITY  
FOR THE YEARS ENDED JUNE 30, 1979 AND 1978

	1979	1978
BALANCE AT BEGINNING OF YEAR.....	\$107,158,230	\$105,300,906
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES.....	3,093,971	(43,081)
AMORTIZATION OF CAPITAL GRANTS.....	(1,993,687)	(1,694,604)
 CAPITAL GRANTS:		
Bus Transit.....	1,769,715	311,041
Ferry Transit.....	337,259	3,283,968
 BALANCE AT END OF YEAR.....	<u>\$110,365,488</u>	<u>\$107,158,230</u>

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

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1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant, and equipment - The Bridge, related buildings, and equipment are carried at cost. No depreciation has been provided on the Bridge and related buildings, since, in the opinion of management, the assets will be maintained to provide indefinite useful lives. Maintenance and repairs are expensed as incurred. No depreciation has been provided on Bridge equipment acquired prior to July 1, 1976; equipment acquired subsequent to this date is being depreciated over its useful life (3 to 20 years).

Transit property and equipment are carried at cost and depreciated by the straight line method over their estimated useful lives (buses, 10 years; ferry boats, 40 years). Depreciation on equipment acquired by capital grants is included in expense, reduced by the amortization of related capital grants. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Major additions are capitalized.

The costs of acquisition and construction of mass transit equipment and facilities are recorded in construction in progress until such assets are placed in service, at which time depreciation and amortization of capital grants are recorded.

Short-term investments - The District values its short-term investments at cost which approximates market value.

Pension plans - The District has several pension plans covering all employees. Certain union members are covered under various union administered plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. The District's policy is to fund pension costs as accrued. Pension expense for the years ended June 30, 1979 and 1978 was \$2,096,000 and \$1,852,000, respectively.

Vacation and sick pay - District employees earn vacation and sick leave annually based on job classification and years of service. Vacation and sick leave are charged to expense as paid. Such benefits earned but not paid at June 30, 1979 approximate \$1,800,000.

### 3. FEDERAL CAPITAL GRANTS

The District has received grants under the Urban Mass Transportation Act which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The grants are summarized at June 30, 1979 as follows:

	<u>Bus</u> <u>Transit</u> <u>Division</u>	<u>Ferry</u> <u>Transit</u> <u>Division</u>
Total approved project cost.....	<u>\$23,853,387</u>	<u>\$38,496,417</u>
Total Federal grants.....	\$17,155,941	\$27,812,042
Less:		
Amounts received .....	(15,784,328)	(26,685,147)
Amount receivable.....	<u>(208,264)</u>	<u>(570,828)</u>
Remaining amount available under Federal grants.....	<u>\$ 1,163,349</u>	<u>\$ 556,067</u>
Total Federal grants credited to fund equity.....	\$15,992,592	\$27,255,975
Less amounts amortized.....	(6,663,810)	(1,669,403)
Net Federal grants in fund equity at June 30, 1979.....	<u>\$ 9,328,782</u>	<u>\$25,586,572</u>

Expenditures of Federal grant funds are subject to final review by the Urban Mass Transportation Administration (UMTA). At June 30, 1979 expenditures of approximately \$40,200,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$3,900,000) will be approved in full.

### 4. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,759,256 and \$993,100 of Federal operating assistance for the years ended June 30, 1979 and 1978, respectively. These funds are distributed to the District by the Metropolitan Transportation Commission after approval by UMTA. The 1979 funds are subject to final review and the District anticipates that they will be approved in full.

## 5. STATE TRANSPORTATION DEVELOPMENT ACT FUNDS

The District has received \$4,063,800 and \$3,062,269 of State Transportation Development Act (TDA) funds for the years ended June 30, 1979 and 1978, respectively. The funds, generated within Marin, Sonoma, and San Francisco counties to meet, in part, the District's operating requirements, are apportioned based on annual claims filed by the District and approved by the Metropolitan Transportation Commission.

## 6. VANPOOL DEMONSTRATION PROJECT

The District has a three-year contract through 1980 with UMTA to demonstrate the feasibility of commuter vanpools as a form of mass transportation. The District has acquired 35 vans and has organized commuter vanpools operating in the Golden Gate corridor. Under the contract all equipment acquisition and project administration costs for two years are funded by a Federal demonstration grant of \$738,200; the final year will be 80 percent funded by an UMTA grant of \$263,325 and 20 percent funded by the District. Vehicle operating expenses are charged to the commuter participants.

Expenditures of vanpool grant funds from inception through June 30, 1979 are as follows:

Purchase of vans and equipment.....	\$334,977
Organizational and administrative costs....	383,214
Excess of operating revenues over expenses.	<u>(61,448)</u>
Total.....	<u>\$656,743</u>

## 7. DISTRICT RESERVES

District reserves are defined as net current assets less assets unavailable to satisfy general obligations of the District. The Board of Directors has restricted portions of the District reserves for the replacement of transit equipment and other anticipated expenditures. The Board of Directors also requires the District to maintain a general reserve of at least \$5,000,000 for unanticipated expenses. An analysis of District reserves at June 30, 1979 and 1978 follows:

	<u>1979</u>	<u>1978</u>
Current assets - net.....	\$15,651,791	\$12,835,252
Less:		
Maintenance inventories and supplies.....	1,192,395	1,132,472
Prepaid insurance and other.....	170,535	213,932
Total District reserves....	14,288,861	11,488,848
Less District imposed restrictions for:		
Replacement of buses and ferry boats.....	2,937,051	2,387,235
Replacement of Bridge deck.....	1,500,000	1,500,000
Insurance reserves.....	643,628	597,951
Ferry channel dredging.....	437,500	312,500
General reserve.....	5,000,000	5,000,000
Unrestricted District reserves.....	<u>\$ 3,770,682</u>	<u>\$ 1,691,162</u>

#### 8. COMMITMENTS AND CONTINGENCIES

At June 30, 1979 the District had commitments of approximately \$2,550,000 primarily for the design of a Bridge deck replacement project and computer equipment and facilities. Within the next five years the District intends to replace the Bridge roadway at a currently estimated cost of approximately \$40 million, 80 percent of which management anticipates will be funded by capital grants.

There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. The District maintains insurance coverage for such incidents, and provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies.

#### 9. TOLL AND FARE LITIGATION

The District has been defendant in litigation challenging the legality of an increase in Bridge tolls and Transit fares effective November 1, 1977. In April 1978 the San Mateo County Superior Court entered a judgment against the District declaring

the increases invalid, enjoining the District from continuing to collect the higher tolls and fares, and ordering the District to rebate to users the incremental funds collected. The District has appealed the judgment to the First District Court of Appeal, which issued a stay of enforcement pending appeal.

During 1979 the District negotiated a settlement with the plaintiffs whereby the District would refund \$500,000 to Bridge users by means of a temporary reduction in tolls and \$166,000 to Transit users by temporarily increasing the purchase discount on transit ticket books. In addition, the District has agreed to purchase \$333,000 of transit vehicles designed for accessibility by handicapped persons and to apply for a grant from UMTA for matching Federal monies. On September 26, 1979 the settlement was found to be fair and equitable by a San Mateo Superior Court judge serving as a referee appointed by the Court of Appeal. The settlement will be presented to the Court of Appeal for approval of the referee's recommendation. Management believes that the negotiated settlement will be final and, accordingly, has made provision for the refunds of \$666,000 in the 1979 financial statements.

#### 10. SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION

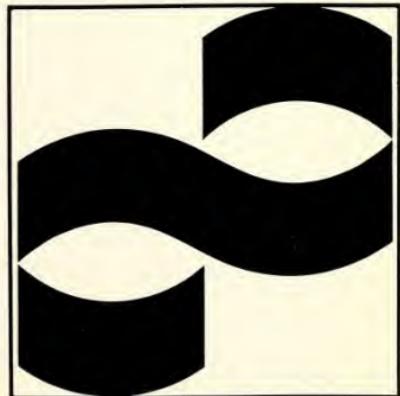
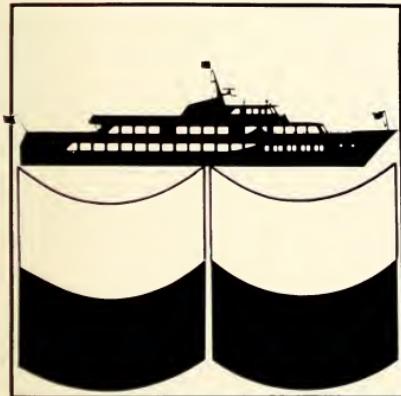
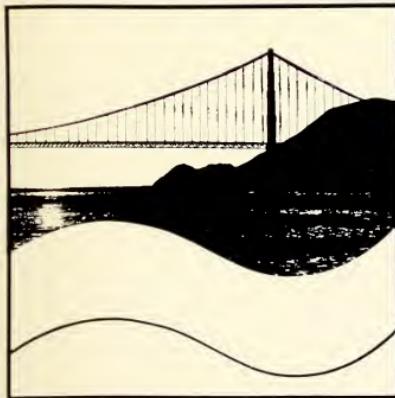
District overhead costs have been allocated to the operating divisions by resolution of the Board of Directors as follows:

	<u>1979</u>	<u>1978</u>
Bridge Division.....	\$1,249,000	\$ 940,000
Bus Transit Division.....	819,000	747,000
Ferry Transit Division.....	<u>543,000</u>	<u>605,000</u>
Total.....	<u>\$2,611,000</u>	<u>\$2,292,000</u>



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT  
BOX 9000, PRESIDIO STATION • SAN FRANCISCO, CALIFORNIA 94129

A N N U A L R E P O R T 1 9 7 9 - 1 9 8 0



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

EDUCATION DEPT.

APR. 6 1980

601 FRANCISCO  
P.O. 130000



## The Year In Brief

1979-80 1978-79

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GOLDEN GATE BRIDGE		
Total Vehicles	35,531,296	36,723,760
GOLDEN GATE TRANSIT		
Bus Passengers	9,472,688	8,745,609
Ferry Passengers	1,117,508	2,059,908
GOLDEN GATE RIDESHARING		
Club Bus Riders	361,257	350,710
Vanpool Riders	192,500	175,800
FINANCIAL SUMMARY		
Operating Revenues	\$29,406,527	\$28,767,380
Expenses:		
Operating	26,335,772	24,822,808
Current Repairs & Maintenance	7,775,942	7,119,853
Toll & Fare Litigation	—0—	666,000
	34,111,714	32,608,661
Operating Revenues less Expenses	(4,705,187)	(3,841,281)
Other Income	8,359,115	6,935,252
Excess (Deficiency) of Revenues over Expenses	\$3,653,928	\$3,093,971

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### OFFICERS • DIRECTORS • MANAGERS

#### Officers of the District

John Molinari, President  
Carl Daubeneck, First Vice President  
Quentin Kopp, Second Vice President  
Dale W. Luehring, General Manager  
Carney J. Campion, Secretary  
Robert D. Tough, Auditor-Controller  
David J. Miller, Attorney  
Harry D. Reilich, Engineer

#### Operating Managers

Bus Transit, H. Donald White  
Ferry Transit, Stanley M. Kowleski,  
Golden Gate Bridge, Robert Warren  
Ridesharing, Richard Ribner

#### District Board of Directors

City and County of San Francisco  
Manuel Ceballos  
Daniel F. Del Carlo  
Ella Hill Hutch  
Quentin L. Kopp  
Stephan C. Leonoudakis  
John L. Molinari  
William Moskovitz  
Carol Ruth Silver  
Peter Tamaras

Marin County  
C. Paul Bettini  
Barbara Boxer  
Charles H. Curley  
Logan Eisele, III

Sonoma County  
L.E. Castrner  
Helen Putnam  
Allen C. Stansbury

Napa County  
Lowell Edington

Mendocino County  
Carl Daubeneck

Del Norte County  
Edwin M. Fraser

## TO THE CONSTITUENTS OF THE DISTRICT:

Fiscal year 1979-80 was a busy, challenging, and exciting year. Work continued toward keeping the Golden Gate Bridge in the best possible condition, while at the same time keeping Bridge auto traffic at manageable levels. I am happy to note that despite significant increases in the number of commuters entering San Francisco each morning from the Golden Gate Corridor (42,000 at last count), Bridge commute auto traffic has been held to about the 1970 level. We are encouraged by the fact that total vehicle traffic crossing the Bridge was down by over 3/4 million vehicles from the previous year; that ridership on Golden Gate buses increased by more than 700,000; and that carpools, vanpools and club bus ridership all showed corresponding increases.

On the 43rd anniversary of the building of the Golden Gate Bridge, planning efforts were continued for the redecking of the Golden Gate Bridge and replacing the sidewalks. Engineering and design work will take place during 1981, using funds allocated from the Federal Highway Trust Fund. In addition, seismic upgrading plans for Bridge approaches were completed which will give additional protection against damage from earthquakes. Also, new toll booths are being designed with a prototype booth to be tested at an early date.

During the past year we have actively supported the State of California's efforts to extend the high occupancy vehicle lanes on Highway 101 in Marin. We continue to believe these HOV lanes are a most important factor in encouraging greater ridesharing.

Two notable events took place in our Ridesharing Division this fiscal year. One was the formulation by President Carter of the National Task Force on Ridesharing, and the invitation to Dale W. Luehring, the District's General Manager, to serve on the Task Force. This Committee was charged with making specific recommendations to increase the use and effectiveness of ridesharing thereby helping to reduce fuel consumption, traffic congestion, and air pollution. In addition, the District was presented with the "Ridesharing Award", by Secretary of Transportation Goldschmidt for its contribution for encouraging conservation through ridesharing.

We were also pleased with the results of a research study sponsored by the Regional Transit Association which disclosed that Golden Gate Transit Services received the highest rating by both riders and non-riders of any transit operator in the Bay Area. We hope to continue to live up to the public's trust in us but are finding it increasingly difficult due to the current over-crowding of our buses and the need for additional service and equipment.

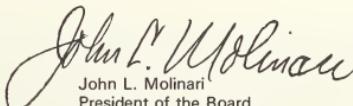
Among the District's efforts to gain new revenue for transit this fiscal year, were increased transit fares (bus and ferry) and reductions in free carpool hours. However, we will be facing deficits in the next fiscal year. Since the 1/2% sales tax for transit failed on the Marin County ballot in April, the District will be looking at the possibility of higher Bridge tolls and transit fares.

The District has taken positive steps to find ways to save fuel and cut costs. Among these were schedule changes, reductions in the number of engines being used in some of the ferry schedules, planning efforts to convert the new gas turbine vessels to diesel power, installation of energy saving fluorescent lamps in toll plaza buildings, plans to increase the number of seats on buses, and placing articulated buses on commute runs. Even though much of our bus fleet is now nine years old, we are pleased that Golden Gate Transit earned the "Fleet Owners Award" for maintenance for the eighth consecutive year, as well as receiving an "A" rating as a result of California Highway Patrol inspection.

The District has also continued its efforts to comply with the "Federal 504" regulations in furnishing accessible transit to the handicapped. We have established an Advisory Committee for Handicapped Persons, purchased two wheelchair lifts to be installed on our buses, installed a wheelchair lift on the MV Golden Gate vessel, continued the upgrading of buildings and facilities to accommodate the handicapped, and are taking steps to order new buses equipped with lifts.

The Board remains dedicated to maintaining the Golden Gate Bridge, furnishing transit services, and offering incentives to alternative methods of ridesharing, in the most efficient and cost effective manner.

Speaking on behalf of the Board, I wish to thank all who have been supportive of our efforts.



John L. Molinari  
President of the Board

# **Deloitte Haskins & Sells**

44 Montgomery Street  
San Francisco, California 94104  
(415) 393-4300  
Telex 340336

## AUDITORS' OPINION

The Board of Directors of  
Golden Gate Bridge, Highway and  
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District as of June 30, 1980 and 1979 and the related statements of revenues and expenses, changes in fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1980 and 1979 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations also comprehended the supplemental schedules of revenues and expenses of the Bridge, Bus Transit, and Ferry Transit Divisions for the years ended June 30, 1980 and 1979. In our opinion, such supplemental schedules, when considered in relation to the basic financial statements, present fairly in all material respects the information shown therein.

*Deloitte Haskins & Sells*

October 10, 1980

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 1980 AND 1979

	1980	1979
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 267,444	\$ 516,406
Short-term investments.....	19,487,923	15,993,461
Federal grants receivable.....	2,195,748	2,616,094
State assistance receivable.....	828,573	
Accounts and other receivables.....	1,155,053	493,959
Maintenance inventories and supplies.....	1,396,692	1,192,395
Prepaid insurance and other.....	154,705	170,535
 Total current assets.....	 25,486,138	 20,982,850
<b>LESS CURRENT LIABILITIES:</b>		
Trade accounts payable.....	1,735,934	744,383
Accrued liabilities.....	3,947,968	3,918,924
Contract retentions.....	679,593	662,752
 Total current liabilities.....	 6,363,495	 5,326,059
 Net current assets.....	 19,122,643	 15,656,791
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land.....	4,314,428	4,297,594
Transit property and equipment:		
Bus Transit.....	21,862,543	21,410,046
Ferry Transit.....	36,810,549	36,437,475
Accumulated depreciation.....	(15,075,338)	(12,122,761)
Net.....	43,597,754	45,724,760
Bridge and related buildings and equipment.....	44,120,955	43,798,137
Accumulated depreciation.....	(144,969)	(84,876)
Net.....	43,975,986	43,713,261
Construction in progress:		
Bridge.....	1,705,991	511,461
Bus Transit.....	649,199	114,680
Ferry Transit.....	350,631	346,941
Total construction in progress.....	2,705,821	973,082
 Property, plant, and equipment - net.....	 94,593,989	 94,708,697
 <b>NET ASSETS AND FUND EQUITY.....</b>	 \$113,716,632	 \$110,365,488

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF REVENUES AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1980 AND 1979

	1980	1979*
<b>REVENUES:</b>		
Operating revenues:		
Bridge.....	\$17,044,037	\$17,461,538
Bus Transit.....	10,608,450	8,559,089
Ferry Transit.....	1,754,040	2,746,753
Total operating revenues.....	<u>29,406,527</u>	<u>28,767,380</u>
Operating assistance:		
State assistance:		
Transportation Development Act.....	4,100,057	3,666,491
Fuel allocation.....	502,699	
Total State assistance.....	<u>4,602,756</u>	<u>3,666,491</u>
Federal operating assistance grants.....	1,350,000	1,759,256
Marin County transit subsidy.....	127,310	
Total operating assistance.....	<u>5,952,756</u>	<u>5,553,057</u>
Investment income.....	2,406,359	1,382,195
Total revenues.....	<u>37,765,642</u>	<u>35,702,632</u>
<b>EXPENSES:</b>		
Operating expenses:		
Bridge.....	3,830,248	4,795,588
Bus Transit.....	17,344,578	14,211,049
Ferry Transit.....	5,160,946	5,816,171
Total operating expenses.....	<u>26,335,772</u>	<u>24,822,803</u>
Current repairs and maintenance:		
Bridge.....	3,696,099	3,403,807
Bus Transit.....	3,050,554	2,643,431
Ferry Transit.....	1,029,289	1,072,615
Total repairs and maintenance.....	<u>7,775,942</u>	<u>7,119,853</u>
Toll and fare litigation.....		666,000
Total expenses.....	<u>34,111,714</u>	<u>32,608,661</u>
EXCESS OF REVENUES OVER EXPENSES.....	<u>\$ 3,653,928</u>	<u>\$ 3,093,971</u>

\* Certain amounts have been reclassified to conform to 1980 presentation.

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FUND EQUITY  
FOR THE YEARS ENDED JUNE 30, 1980 AND 1979

	1980	1979
BALANCE AT BEGINNING OF YEAR.....	\$110,365,488	\$107,158,230
EXCESS OF REVENUES OVER EXPENSES.....	3,653,928	3,093,971
AMORTIZATION OF CAPITAL GRANTS.....	(2,114,129)	(1,993,687)
CAPITAL GRANTS:		
Bridge.....	793,449	
Bus Transit.....	708,208	1,769,715
Ferry Transit.....	311,688	337,259
BALANCE AT END OF YEAR.....	<u>\$113,716,632</u>	<u>\$110,365,488</u>

See notes to financial statements.

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GOLDEN C  
HIGHWAY AND TRAN

SUPPLEMENTAL SCHEDULES OF RE  
FOR THE YEARS ENDED

	TOTAL	
	1980	1979*
<b>REVENUES:</b>		
Operating revenues.....	<u>\$29,406,527</u>	<u>\$28,767,380</u>
Operating assistance:		
State assistance:		
Transportation Development Act.....	4,100,057	3,666,491
Fuel allocation.....	502,699	
Total State assistance.....	<u>4,602,756</u>	<u>3,666,491</u>
Federal operating assistance grants.....	1,350,000	1,759,256
Marin County transit subsidy.....	127,310	
Total operating assistance.....	<u>5,952,756</u>	<u>5,553,057</u>
Investment income.....	<u>2,406,359</u>	<u>1,382,195</u>
Total revenues.....	<u>37,765,642</u>	<u>35,702,632</u>
<b>EXPENSES:</b>		
Operating expenses.....	26,335,772	24,822,808
Current repairs and maintenance.....	7,775,942	7,119,853
Toll and fare litigation.....	666,000	
Total expenses.....	<u>34,111,714</u>	<u>32,608,661</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES..	<u>\$ 3,653,928</u>	<u>\$ 3,093,971</u>

\*Certain amounts have been reclassified to conform to 1980 presentation.

BRIDGE,  
TRANSIT DISTRICT

RENTS AND EXPENSES BY DIVISION  
FOR THE 30, 1980 AND 1979

...BRIDGE DIVISION...		...BUS TRANSIT DIVISION...		. FERRY TRANSIT DIVISION.	
1980	1979*	1980	1979*	1980	1979
17,044,037	\$17,461,538	\$10,608,450	\$ 8,559,089	\$ 1,754,040	\$ 2,746,753
3,273,071	191,423	3,132,891	311,276	826,986	533,600
3,464,494	876,800	3,132,891	1,405,959	1,138,262	533,600
				473,200	353,297
			127,310		
	4,341,294		4,666,160	1,611,462	886,897
2,406,359	1,382,195				
9,450,396	18,843,733	14,949,744	13,225,249	3,365,502	3,633,650
3,830,248	4,795,588	17,344,578	14,211,049	5,160,946	5,816,171
3,696,099	3,403,807	3,050,554	2,643,431	1,029,289	1,072,615
	500,000		141,100		24,900
7,526,347	8,699,395	20,395,132	16,995,580	6,190,235	6,913,686
1,924,049	\$10,144,338	\$(5,445,388)	\$(3,770,331)	\$(2,824,733)	\$(3,280,036)

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED JUNE 30, 1980 AND 1979

	1980	1979
<b>SOURCE OF FUNDS:</b>		
Operations:		
Excess of revenues over expenses.....	\$3,653,928	\$3,093,971
Nonfund charges (credits):		
Depreciation and amortization.....	3,012,670	2,901,333
Amortization of capital grants.....	(2,114,129)	(1,993,687)
Funds provided by operations.....	4,552,469	4,001,617
Capital grants:		
Bridge.....	793,449	
Bus Transit.....	706,208	1,769,715
Ferry Transit.....	311,688	337,259
Disposals of property.....	25,001	86,185
Total funds provided.....	<u>6,388,815</u>	<u>6,194,776</u>
<b>APPLICATION OF FUNDS:</b>		
Acquisition of property, plant, and equipment:		
Bridge.....	1,534,699	605,753
Bus Transit.....	987,823	2,313,360
Ferry Transit.....	400,441	454,124
Total funds applied.....	<u>2,922,963</u>	<u>3,373,237</u>
INCREASE IN NET CURRENT ASSETS.....	<u>\$3,465,852</u>	<u>\$2,821,539</u>
<b>INCREASE (DECREASE) IN NET CURRENT ASSETS BY ELEMENT:</b>		
Cash.....	\$ (248,962)	\$ 40,662
Short-term investments.....	3,494,462	4,439,441
Federal grants receivable.....	(420,346)	(325,971)
State assistance receivable.....	828,573	
Other current assets.....	849,561	45,141
Trade accounts payable.....	(991,551)	112,228
Accrued liabilities.....	(29,044)	(1,591,517)
Contract retentions.....	(16,841)	101,555
INCREASE IN NET CURRENT ASSETS.....	<u>\$3,465,852</u>	<u>\$2,821,539</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

**1. ORGANIZATION**

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Property, plant, and equipment - The Bridge, related buildings, and equipment are carried at cost. No depreciation has been provided on the Bridge and related buildings, since, in the opinion of management, the assets will be maintained to provide indefinite useful lives. Maintenance and repairs are expensed as incurred. No depreciation has been provided on Bridge equipment acquired prior to July 1, 1976; equipment acquired subsequent to this date is being depreciated over its estimated useful life (3 to 20 years).

Transit property and equipment are carried at cost and depreciated by the straight line method over their estimated useful lives (buses, 10 years; ferry boats, 40 years). Depreciation on equipment acquired by capital grants is included in expense, reduced by the amortization of the related capital grants. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Major additions are capitalized.

The costs of acquisition and construction of mass transit equipment and facilities are recorded in construction in progress until such assets are placed in service, at which time depreciation and amortization of capital grants are recorded.

Short-term investments - The District values its short-term investments at cost which approximates market value.

Pension plans - The District has several pension plans covering all employees. Certain union members are covered under various union administered plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. The District's policy is to fund pension costs as accrued. Pension expense for the years ended June 30, 1980 and 1979 was \$2,214,000 and \$2,096,000, respectively.

Vacation and sick pay - District employees earn vacation and sick leave annually based on job classification and years of service. Vacation and sick leave are charged to expense as paid. Such benefits earned but not paid at June 30, 1980 approximate \$1,800,000.

### 3. FEDERAL CAPITAL GRANTS

The District has received grants under the Urban Mass Transportation Act which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The grants are summarized at June 30, 1980 as follows:

	Bus Transit Division	Ferry Transit Division
Total approved project cost.....	\$23,786,384	\$38,560,420
Total Federal grants.....	\$17,102,339	\$27,863,244
Less:		
Amounts received .....	(16,561,623)	(27,455,968)
Amounts receivable.....	(129,823)	(107,182)
Remaining amounts available under Federal grants.....	\$ 410,893	\$ 300,094
Total Federal grants credited to fund equity.....	\$16,691,446	\$27,563,150
Less amounts amortized.....	(7,965,166)	(2,482,176)
Net Federal grants in fund equity at June 30, 1980.....	\$ 8,726,280	\$25,080,974

Expenditures of Federal grant funds are subject to final review by the Urban Mass Transportation Administration (UMTA). At June 30, 1980 expenditures of approximately \$40,200,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$4,055,000) will be approved in full.

#### 4. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,350,000 and \$1,759,256 of Federal operating assistance for the years ended June 30, 1980 and 1979, respectively. These funds are distributed to the District by the Metropolitan Transportation Commission after approval by UMTA. The 1980 and 1979 funds are subject to final review and the District anticipates that they will be approved in full.

#### 5. STATE TRANSPORTATION DEVELOPMENT ACT FUNDS

The District has received \$4,155,700 and \$4,063,800 of State Transportation Development Act (TDA) funds for the years ended June 30, 1980 and 1979, respectively. The funds are received from Marin, Sonoma, and San Francisco counties based on annual claims filed by the District and approved by the Metropolitan Transportation Commission to meet, in part, the District's operating requirements.

#### 6. VANPOOL DEMONSTRATION PROJECT

The District had a three-year contract through June 30, 1980 with UMTA to demonstrate the feasibility of commuter vanpools as a form of mass transportation. The District has acquired 43 vans and has organized commuter vanpools operating in the Golden Gate corridor. Under the contract all equipment acquisition and project administration costs for the first two years were funded by a Federal demonstration grant of \$738,200; the final year was 80% funded by an UMTA grant of \$263,325 and 20% funded by the District; at June 30, 1980, \$77,744 of this grant remained to be spent and UMTA has continued to fund the project beyond the June 30, 1980 date. Vehicle operating expenses were charged to the commuter participants. At the termination of the demonstration project, all vans will become the property of the District which will operate the commuter project.

Expenditures of vanpool grant funds from inception through June 30, 1980 are as follows:

Purchase of vans and equipment.....	\$433,748
Organizational and administrative costs....	553,833
Excess of operating revenues over expenses.	<u>(89,453)</u>
Total.....	<u>\$898,128</u>

#### 7. DISTRICT RESERVES

District reserves are defined as net current assets less assets unavailable to satisfy general obligations of the District. The Board of Directors has restricted portions of the District reserves for the replacement of transit equipment and other anticipated expenditures. During the year ended June 30, 1980

the Board of Directors established by resolution reserves for transit operations and working capital. The Board of Directors also requires the District to maintain an emergency reserve of at least \$5,000,000 for unanticipated expenses. An analysis of District reserves at June 30, 1980 and 1979 follows:

	1980	1979
Current assets - net.....	\$19,122,643	\$15,656,791
Less:		
Maintenance inventories and supplies.....	1,396,692	1,192,395
Prepaid insurance and other.....	154,705	170,535
Total District reserves... ..	17,511,246	14,293,861
Less District imposed restrictions for:		
Replacement of Bridge deck.....	4,840,495	1,500,000
Replacement of buses and ferry boats.....	3,098,483	2,937,051
Reserve for transit operations.....	1,557,050	
Insurance reserves.....	1,224,282	643,628
Reserve for working capital.....	1,000,000	
Ferry channel dredging.....	437,500	437,500
Special transit vehicle reserve.....	401,685	
Other.....	11,751	
Emergency reserve.....	5,000,000	5,000,000
Unrestricted District reserves.....	\$ 0	<u>\$ 3,775,682</u>

#### 8. COMMITMENTS AND CONTINGENCIES

At June 30, 1980 the District had commitments of approximately \$1,383,000 primarily for the design of a Bridge deck replacement project. Within the next five years the District intends to replace the Bridge roadway and sidewalk, and to perform structural and other major repairs at a currently estimated cost of approximately \$50 million, 80% of which management anticipates will be funded by Federal capital grants. Estimated costs for the projects are as follows:

Bridge roadway replacement...	\$40,015,000
Bridge sidewalk replacement..	4,500,000
Structural and other	
major repairs.....	5,640,000
Total.....	<u>\$50,155,000</u>

There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. The District maintains insurance coverage for such incidents, and provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies.

#### 9. TOLL AND FARE LITIGATION

The District was a defendant in litigation challenging the legality of an increase in Bridge tolls and Transit fares effective November 1, 1977. During 1979 the District negotiated a settlement with the plaintiffs whereby the District temporarily reduced bridge tolls and increased transit ticket discounts to users during 1980 and agreed to purchase special transit vehicles designed to be accessible to handicapped persons. The District made provision for the reduced tolls and fares and attorney fees in the 1979 financial statements.

#### 10. SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION

District overhead costs have been allocated to the operating divisions by resolution of the Board of Directors as follows:

	<u>1980</u>	<u>1979</u>
Bridge Division.....	\$1,307,000	\$1,249,000
Bus Transit Division.....	1,169,000	819,000
Ferry Transit Division.....	600,000	543,000
Total.....	<u>\$3,076,000</u>	<u>\$2,611,000</u>



GOLDEN GATE BRIDGE HIGHWAY AND TRANSPORTATION DISTRICT

GGI  
1980-81

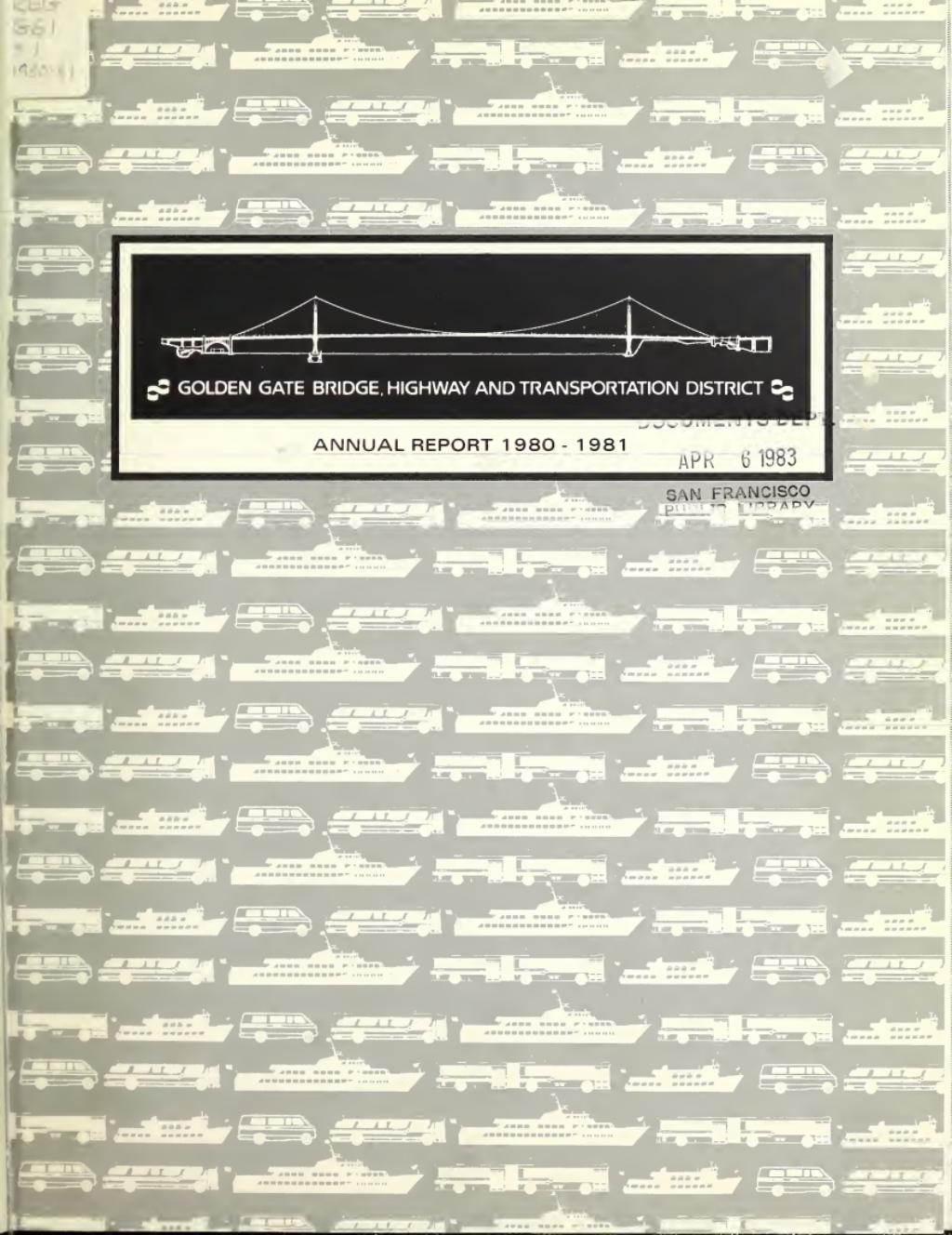


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## The Year In Brief

1980-81 1979-80

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### GOLDEN GATE BRIDGE

Total Vehicles

36,393,422 35,531,296

### GOLDEN GATE TRANSIT

Bus Passengers

9,473,423 9,472,688

Ferry Passengers

1,816,731 1,117,508

### GOLDEN GATE RIDESHARING

Club Bus Riders

381,621 361,257

Vanpool Riders

157,487 192,500

### FINANCIAL SUMMARY

Operating Revenues

\$33,605,352 \$29,406,527

Expenses:

Operating

30,177,683 26,335,772

Current Repairs & Maintenance

9,918,752 7,775,942

Bridge Deck Replacement

278,880 -0-

40,375,315 34,111,714

Operating Revenues less Expenses

(6,769,963) (4,705,187)

Operating Assistance

7,078,858 5,952,756

Investment Income

2,881,158 2,406,359

Excess of Revenues over Expenses

\$3,190,053 \$3,653,928

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### OFFICERS • DIRECTORS • MANAGERS

#### Officers of the District

John L. Molinari, President  
Carl Daubeneck, First Vice President  
Quentin L. Kopp, Second Vice President  
Dale W. Luehring, General Manager  
Carney J. Campion, Secretary  
Robert D. Tough, Auditor-Controller  
David J. Miller, Attorney  
Harry D. Reilich, Engineer

#### Operating Managers

Bus Transit, H. Donald White  
Ferry Transit, Stanley M. Kowleski,  
Golden Gate Bridge, Robert Warren  
Ridesharing, Richard Ribner

#### District Board of Directors

CITY/COUNTY OF  
SAN FRANCISCO  
James R. Bronkema  
Manuel Ceballos  
Daniel F. Del Carlo  
Quentin L. Kopp  
Stephan C. Leonoudakis  
John L. Molinari  
William Moskowitz  
Louise H. Renne  
Carol Ruth Silver

MARIN COUNTY  
C. Paul Bettini  
Richard E. Boesel, Jr.  
Barbara Boxer  
Charles H. Curley

SONOMA COUNTY  
L.E. "Bud" Castner  
Helen Putnam  
Allen C. Stansbury

NAPA COUNTY  
Lowell Edlington

MENDOCINO COUNTY  
Carl Daubeneck

DEL NORTE COUNTY  
Edwin M. Fraser

## TO THE CONSTITUENTS OF THE DISTRICT:

This past year has been an interesting, challenging, and busy one. We have been most pleased with the progress made on the essential Bridge re-decking project, and expect to solicit bids during the coming year on this crucial project. Transit and ridesharing services have continued to hold Bridge auto commute traffic down, and we were especially pleased to receive President Carter's Energy Efficiency Award in recognition of the District's ridesharing activities. Significantly, the District continues to be in a fiscally sound condition.

During the year, it became quite clear that with the impacts of inflation and higher energy costs, the District could not continue to provide transit and ridesharing services unless Bridge tolls and transit fares were raised. Studies prepared by the staff covering the five year period from FY 1980-81 through FY 1984-85 indicated substantial and increasing annual deficits with the then-existing tolls and fares. After a series of hearings on a number of alternative toll and fare proposals, the Board adopted a Bridge auto toll of \$1.25 effective March 1, 1981, and raised inter-county bus fares by 16%. Bridge tolls for the handicapped remained at 50¢, and for the first time, motorcycles were allowed to cross the Bridge free of tolls during the 6 - 9 AM and 4 - 6 PM weekday commute periods. In addition, some local bus fares and the Larkspur Ferry fares were raised. These increases were expected to produce an additional \$4.2 million annually.

Following implementation of the \$1.25 toll on March 1, delays were experienced at the toll plaza and the Board authorized the sale of discounted commute book tickets. With growing concern over traffic delays, the Board, in June, ordered a suspension of the \$1.25 toll and directed a test of \$1.00 tolls to measure the time difference required to collect the extra 25¢. This test was to take effect in July.

Even though gasoline prices continued to climb during Fiscal Year 1980-81, this fact did not seem to discourage automobile drivers, as Bridge traffic increased 2.4% over the previous fiscal year. A total of 36,393,422 vehicles crossed the Bridge during Fiscal Year 1980-81, compared to 35,531,296 during FY 1979-80. Bridge commute traffic increased somewhat, as evidenced by daily 6 - 10 AM commute auto traffic counts peaking at 21,000 in the morning. Also, the number of commuters entering San Francisco from the Golden Gate Corridor increased during the fiscal year, with a high of 42,723 during the 6 - 10 AM weekday commute period.

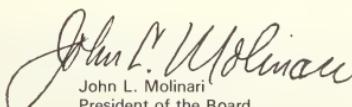
Golden Gate Bus Transit continues to receive awards for its maintenance efficiency and safety programs. For the 9th consecutive year, Golden Gate Transit received the Fleet Owner Award for Maintenance Efficiency, and again received an "A" rating from the California Highway Patrol for its safety and maintenance performance records. Also received was the American Public Transit Association Safety Award Certificate of Achievement. In response to the public request for bus service out the 19th Avenue corridor in San Francisco, Route 66 service was started in June. Plans are also being pursued to establish a Geary Boulevard Golden Gate Bus service.

In order to effect economies, the Board approved a diesel conversion program for the Larkspur ferries and in response to the public's concerns, initiated plans to reduce the Larkspur Ferry service until such time as the new diesel engines are installed. Effective June 15, 1981, an austere ferry schedule was implemented which reduced midday runs and weekend runs along with some commute schedules. These cutbacks will conserve fuel and maintenance costs. A federal grant application for the diesel engines was sought, and architectural design plans initiated. On the lighter side, the 10 millionth ferry passenger was appropriately honored and designated on October 30, 1980.

Assembly Bill No. 95 was introduced into the State Assembly by Assembly Speaker Willie L. Brown, Jr. This bill, which was co-authored by Assemblyman William Filante, would make some organizational changes in the District. The bill has had extensive amendments and is still in the Assembly. We are awaiting the final draft of AB 95 during the early part of the 1982 Legislative session.

The Board remains dedicated to maintaining the Golden Gate Bridge, furnishing transit services, and offering incentives to alternative methods of ridesharing, in the most efficient and cost effective manner.

On behalf of all members of the Board, I wish to thank all who have been supportive of our efforts.



John L. Molinari  
President of the Board

# Deloitte Haskins + Sells

44 Montgomery Street  
San Francisco, California 94104  
(415) 393-4300  
Telex 340336

## AUDITORS' OPINION

The Board of Directors of  
Golden Gate Bridge, Highway and  
Transportation District:

We have examined the statements of financial position of the Golden Gate Bridge, Highway and Transportation District as of June 30, 1981 and 1980 and the related statements of revenues and expenses, changes in fund equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Golden Gate Bridge, Highway and Transportation District at June 30, 1981 and 1980 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of revenues and expenses by Division for the years ended June 30, 1981 and 1980 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Deloitte Haskins & Sells*

October 16, 1981

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 1981 AND 1980

	<u>1981</u>	<u>1980</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 1,090,696	\$ 267,444
Short-term investments	21,060,163	19,487,923
Federal grants receivable	2,853,502	2,195,748
State assistance receivable		828,573
Accounts and other receivables	770,619	1,155,053
Maintenance inventories and supplies	1,945,979	1,396,692
Prepaid insurance and other	163,147	154,705
Total current assets	<u>27,884,106</u>	<u>25,486,138</u>
<b>CURRENT LIABILITIES:</b>		
Trade accounts payable	1,894,904	1,735,934
Uninsured losses	1,749,811	1,495,575
Accrued liabilities	1,422,410	2,452,393
Contract retentions	342,173	675,593
Total current liabilities	<u>5,409,298</u>	<u>6,363,495</u>
<b>NET CURRENT ASSETS</b>	<u>22,474,808</u>	<u>19,122,643</u>
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land	4,307,856	4,314,428
Transit property and equipment:		
Bus Transit	21,890,386	21,862,543
Ferry Transit	36,724,381	36,810,549
Ridesharing	443,096	
Accumulated depreciation	(18,420,157)	(15,075,338)
Net	<u>40,637,706</u>	<u>43,597,754</u>
Bridge and related buildings and equipment	44,058,150	44,120,955
Accumulated depreciation	(211,961)	(144,969)
Net	<u>43,846,189</u>	<u>43,975,986</u>
Construction in progress:		
Bridge	2,438,766	1,705,991
Bus Transit	1,285,516	649,199
Ferry Transit	668,660	350,631
Ridesharing	6,049	
Total	<u>4,398,991</u>	<u>2,705,821</u>
Property, plant, and equipment - net	<u>93,190,742</u>	<u>94,593,989</u>
<b>NET ASSETS AND FUND EQUITY</b>	<u>\$115,665,550</u>	<u>\$113,716,632</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF REVENUES AND EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1981 AND 1980

	<u>1981</u>	<u>1980*</u>
<b>REVENUES:</b>		
Operating revenues:		
Bridge	\$18,976,804	\$17,044,037
Bus Transit	11,048,423	10,265,024
Ferry Transit	2,860,595	1,754,040
Ridesharing	719,530	343,426
Total operating revenues	<u>33,605,332</u>	<u>29,406,527</u>
Operating assistance:		
State assistance:		
Transportation Development Act	5,398,964	4,100,057
Fuel allocation	502,699	
Total State assistance	<u>5,398,964</u>	<u>4,602,756</u>
Federal operating assistance grants	1,679,894	1,350,000
Total operating assistance	<u>7,078,858</u>	<u>5,952,756</u>
Investment income	2,881,158	2,406,359
Total revenues	<u>43,565,368</u>	<u>37,765,642</u>
<b>EXPENSES:</b>		
Operating expenses:		
Bridge	4,722,847	3,887,942
Bus Transit	17,736,374	16,273,774
Ferry Transit	6,199,906	5,160,946
Ridesharing	1,518,556	1,070,804
Total operating expenses	<u>30,177,683</u>	<u>26,393,466</u>
Current repairs and maintenance:		
Bridge	3,938,803	3,638,405
Bus Transit	3,916,009	3,050,554
Ferry Transit	2,063,940	1,029,289
Bridge deck replacement	278,880	
Total repairs and maintenance	<u>10,197,632</u>	<u>7,718,248</u>
Total expenses	<u>40,375,315</u>	<u>34,111,714</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 3,190,053</u></u>	<u><u>\$ 3,653,928</u></u>

\*Certain amounts have been reclassified to conform to the 1981 presentation.

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FUND EQUITY  
FOR THE YEARS ENDED JUNE 30, 1981 AND 1980

	<u>1981</u>	<u>1980</u>
BALANCE AT BEGINNING OF YEAR	\$113,716,632	\$110,365,488
EXCESS OF REVENUES OVER EXPENSES	3,190,053	3,653,928
AMORTIZATION OF CAPITAL GRANTS	(2,228,840)	(2,114,129)
CAPITAL GRANTS:		
Bridge	159,495	793,449
Bus Transit	442,486	706,208
Ferry Transit	110,582	311,688
CONTRIBUTION OF VANPOOL ASSETS	275,142	
BALANCE AT END OF YEAR	<u>\$115,665,550</u>	<u>\$113,716,632</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES BY DIVISION  
FOR THE YEARS ENDED JUNE 30, 1981 AND 1980

	TOTAL		Bi	COV
	1981	1980*	1981	1980
<b>REVENUES:</b>				
Operating revenues	\$33,605,352	\$29,406,527	\$18,976	\$17,717
Operating assistance:				
State assistance:				
Transportation Development Act	5,398,964	4,100,057		
Fuel allocation		502,699		
Total State assistance	5,398,964	4,602,756		
Federal operating assistance grants	1,679,894	1,350,000		
Total operating assistance	7,078,858	5,952,756		
Investment income	2,881,158	2,406,359	2,881	1,717
Total revenues	43,565,368	37,765,642	21,857	17,717
<b>EXPENSES:</b>				
Operating expenses	30,177,683	26,393,466	4,722	3,936
Current repairs and maintenance	9,918,752	7,718,248	3,936	3,936
Bridge deck replacement	278,880		278	
Total expenses	40,375,315	34,111,714	8,940	7,802
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 3,190,053</b>	<b>\$ 3,653,928</b>	<b>\$12,917</b>	<b>\$1,915</b>

\* Certain amounts have been reclassified to conform to the 1981 presentation.

DIVISION....	BUS TRANSIT DIVISION..	FERRY TRANSIT DIVISION.	RIDESHARING DIVISION.			
<u>1980*</u>	<u>1981</u>	<u>1980*</u>	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980*</u>
\$17,044,037	\$11,048,423	\$10,265,024	\$ 2,860,595	\$ 1,754,040	\$ 719,530	\$ 343,426
4,628,346	3,273,071	770,618	826,986			
	191,423		311,276			
4,628,346	3,464,694	770,618	1,138,262			
1,129,754	585,651	425,496	473,200			
5,758,100	4,050,145	1,196,114	1,611,462			
2,406,359				124,644	291,149	
19,450,396	16,806,523	14,315,169	4,056,709	124,644	291,149	
3,887,942	17,736,374	16,273,774	6,199,906	5,160,946	1,518,556	1,070,804
3,638,405	3,916,009	3,050,554	2,063,940	1,029,289		
7,526,347	21,652,383	19,324,328	8,263,846	6,190,235	1,518,556	1,070,804
\$11,924,049	<u><u>\$(4,845,860)</u></u>	<u><u>\$(5,009,159)</u></u>	<u><u>\$(4,207,137)</u></u>	<u><u>\$(2,824,733)</u></u>	<u><u>\$(674,382)</u></u>	<u><u>\$(436,229)</u></u>

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED JUNE 30, 1981 AND 1980

	<u>1981</u>	<u>1980</u>
<b>SOURCE OF FUNDS:</b>		
Operations:		
Excess of revenues over expenses	\$3,190,053	\$3,653,928
Nonfund charges (credits):		
Depreciation and amortization	3,165,970	3,012,670
Amortization of capital grants	(2,228,840)	(2,114,129)
Funds provided by operations	<u>4,127,183</u>	<u>4,552,469</u>
Federal grants - Bridge deck replacement	1,115,520	
Capital grants:		
Bridge	159,495	793,449
Bus Transit	442,486	706,208
Ferry Transit	110,582	311,688
Disposals of property	225,855	25,001
Contribution of vanpool assets	275,142	
Total funds provided	<u>6,456,263</u>	<u>6,388,815</u>
<b>APPLICATION OF FUNDS:</b>		
Acquisition of property, plant, and equipment:		
Bridge	791,822	1,534,699
Bus Transit	665,248	987,823
Ferry Transit	326,059	400,441
Ridesharing	205,449	
Bridge deck replacement funded by		
Federal grants	1,115,520	
Total funds applied	<u>3,104,098</u>	<u>2,922,963</u>
INCREASE IN NET CURRENT ASSETS	<u>\$3,352,165</u>	<u>\$3,465,852</u>
<b>INCREASE (DECREASE) IN NET CURRENT ASSETS BY ELEMENT:</b>		
Cash	\$ 823,252	\$ (248,962)
Short-term investments	1,572,240	3,494,462
Federal grants receivable	657,754	(820,346)
State assistance receivable	(828,573)	828,573
Other current assets	173,295	849,561
Trade accounts payable	(158,970)	(991,551)
Uninsured losses	(254,236)	297,675
Accrued liabilities	1,029,983	(326,719)
Contract retentions	<u>337,420</u>	<u>(16,841)</u>
INCREASE IN NET CURRENT ASSETS	<u>\$3,352,165</u>	<u>\$3,465,852</u>

See notes to financial statements.

GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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1. ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District is a political subdivision of the State of California created by the Legislature in 1923 and subject to regulation under the Bridge and Highway District Act, as amended. The District is not subject to income tax. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the United States Government, the State of California, and certain counties within the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant, and Equipment - The Bridge, related buildings, and equipment are carried at cost. No depreciation has been provided on the Bridge and related buildings, since, in the opinion of management, the assets will be maintained to provide indefinite useful lives. Maintenance and repairs, including major repairs and replacements (reduced by Federal grants), are expensed as incurred. No depreciation has been provided on Bridge equipment acquired prior to July 1, 1976; equipment acquired subsequent to this date is being depreciated over its useful life (3 to 20 years).

Transit property and equipment are carried at cost and depreciated by the straight-line method over their estimated useful lives (buses, 10 years; ferry boats, 40 years). Depreciation on equipment acquired by capital grants is included in expense, reduced by the amortization of the related capital grants. Maintenance, repairs, and additions of a minor nature are expensed as incurred. Major additions are capitalized.

The costs of acquisition and construction of mass transit equipment and facilities are recorded in construction in progress until such assets are placed in service, at which time depreciation and amortization of capital grants are recorded.

Short-term Investments are stated at cost which approximates market value.

Pension Plans - The District has several pension plans covering all employees. Certain union members are covered under various union administered plans while other union and nonunion employees participate in the State of California's Public Employees' Retirement System. The District's policy is to fund pension costs as accrued. Pension expense for the years ended June 30, 1981 and 1980 was \$2,268,000 and \$2,214,000, respectively.

Vacation and Sick Pay - District employees earn vacation and sick leave annually based on job classification and years of service. Vacation and sick leave are charged to expense as paid. Such benefits earned but not paid at June 30, 1981 approximate \$2,400,000.

### 3. FEDERAL CAPITAL GRANTS

The District has received grants under the Urban Mass Transportation Act which provide Federal financing primarily for the acquisition of buses and the construction of terminals and ferry boats. The grants are summarized at June 30, 1981 as follows:

	Bus Transit Division	Ferry Transit Division
Total approved project cost	<u>\$25,605,484</u>	<u>\$38,560,420</u>
Total Federal grants	<u>\$18,574,539</u>	<u>\$27,863,244</u>
Less:		
Amounts received	<u>16,791,923</u>	<u>27,608,284</u>
Amount receivable	<u>342,011</u>	<u>61,517</u>
Remaining amount available under Federal grants	<u>\$ 1,440,605</u>	<u>\$ 193,443</u>
Total Federal grants credited to fund equity	<u>\$17,133,934</u>	<u>\$27,669,801</u>
Less amounts amortized	<u>9,291,411</u>	<u>3,285,176</u>
Net Federal grants in fund equity at June 30, 1981	<u>\$ 7,842,523</u>	<u>\$24,384,625</u>

Expenditures of Federal grant funds are subject to final review by the Department of Transportation. At June 30, 1981 expenditures of approximately \$40,200,000 have been reviewed. The District anticipates that the unreviewed expenditures (approximately \$4,604,000) will be approved in full.

#### 4. FEDERAL OPERATING ASSISTANCE

The District was allocated \$1,679,894 and \$1,350,000 of Federal operating assistance for the years ended June 30, 1981 and 1980, respectively. These funds are distributed to the District by the Metropolitan Transportation Commission after approval by the Urban Mass Transportation Administration (UMTA). The 1981 funds are subject to final review and the District anticipates that they will be approved in full.

#### 5. STATE TRANSPORTATION DEVELOPMENT ACT FUNDS

The District has received \$5,072,000 and \$4,155,700 of State Transportation Development Act (TDA) funds for the years ended June 30, 1981 and 1980, respectively. The funds are received from Marin, Sonoma, and San Francisco counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by the Metropolitan Transportation Commission.

#### 6. VANPOOL DEMONSTRATION PROJECT

The District had a three-year contract through 1980 with UMTA to demonstrate the feasibility of commuter vanpools as a form of mass transportation. The District acquired 43 vans and organized commuter vanpools operating in the Golden Gate corridor. Under the contract all equipment acquisition and project administration costs for the first two years were funded by a Federal demonstration grant of \$738,200; the final year was 80% funded by an UMTA grant of \$263,325 and 20% funded by the District. Vehicle operating expenses were charged to the commuter participants. On July 1, 1980, the demonstration project terminated and all vans became the property of the District. The net assets of the project, \$275,142 (principally the undepreciated cost of the vans), are reflected as a capital grant contribution as of July 1, 1980. The District continues to operate the vanpool project as part of the Ridesharing Division (see Note 7).

#### 7. RIDESHARING DIVISION

Effective July 1, 1980 the District established the Ridesharing Division to account for the vanpool project, contract bus services, and carpool operations.

The financial statements for the year ended June 30, 1980 have been reclassified to reflect the operations of this division.

#### 8. DISTRICT RESERVES

District reserves are defined as net current assets less assets unavailable to satisfy general obligations of the

District. The Board of Directors has restricted portions of the District reserves for the replacement of transit equipment and other anticipated expenditures. The Board of Directors also requires the District to maintain an emergency reserve of at least \$5,000,000 for unanticipated expenses. An analysis of District reserves at June 30, 1981 and 1980 follows:

	<u>1981</u>	<u>1980</u>
Current assets - net	\$22,474,808	\$19,122,643
Less:		
Maintenance inventories and supplies	1,945,979	1,396,692
Prepaid insurance and other	163,147	154,705
Total District reserves	<u>20,365,682</u>	<u>17,571,256</u>
Less District-imposed restrictions for:		
Replacement of Bridge deck	6,098,923	4,840,495
Replacement of buses and ferry boats	3,631,325	3,098,483
Reserve for transit operations	1,270,194	1,557,050
Insurance reserves	1,224,282	
Reserve for working capital		1,000,000
Ferry channel dredging	437,500	437,500
Special transit vehicle reserve	429,169	401,685
Other	14,769	11,751
Emergency reserve	<u>5,000,000</u>	<u>5,000,000</u>
Unrestricted District reserves	<u><u>\$ 3,483,802</u></u>	<u><u>0</u></u>

#### 9. COMMITMENTS

At June 30, 1981 the District had commitments of approximately \$3,380,000 primarily for the design of a Bridge deck replacement project. Within the next five years the District intends to replace the Bridge roadway and sidewalk, and to perform structural and other major repairs and improvements at a currently estimated cost of approximately \$50 million, 80% of which the District anticipates will be funded by Federal grants. Estimated costs for the projects are as follows:

Bridge roadway and sidewalk replacement	\$39,654,000
Structural and other major repairs and improvements	<u>10,481,000</u>
Total	<u><u>\$50,135,000</u></u>

At June 30, 1981, approximately \$1,394,000 had been expended for bridge deck replacement and \$1,204,000 for capital improvements.

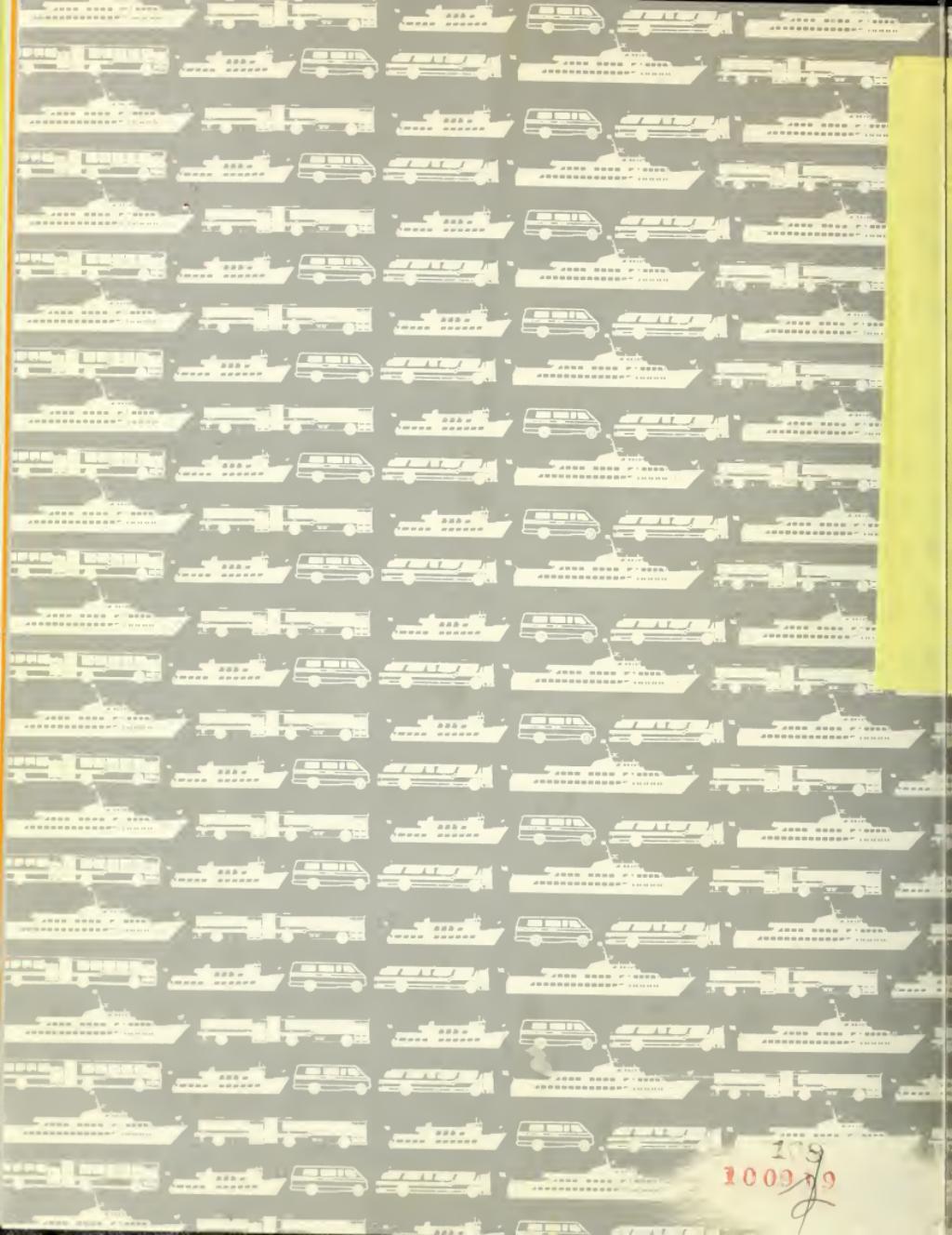
#### 10. CONTINGENCIES

There are claims and litigation pending which are considered normal to the District's operation of the Bridge and Transit systems. The District maintains insurance coverage for such incidents, and provision has been made in the financial statements for estimated losses under the deductible limits of insurance policies.

#### 11. ALLOCATION OF DISTRICT DIVISION EXPENSE

District Division expense has been allocated to the operating divisions by resolution of the Board of Directors as follows:

	<u>1981</u>	<u>1980</u>
Bridge	\$1,318,000	\$1,307,000
Bus Transit	1,418,000	1,169,000
Ferry Transit	891,000	600,000
Ridesharing	122,000	
 Total	<u>\$3,749,000</u>	<u>\$3,076,000</u>



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